



Daily Report

China

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General

Further Comments From Foreign Ministry Spokesman

Patients Permitted at Meeting

OW2004114595 Beijing XINHUA in English 1137
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—Nobody will be denied to enter China to attend the UN Fourth World Conference on Women just because he or she is a AIDS patient or a HIV carrier.

Chinese Foreign Ministry Spokesman Chen Jian made the remark at the weekly press conference here this afternoon.

According to relevant Chinese laws and regulations, foreign AIDS patients or HIV carriers are not allowed to enter China, Chen said.

"But in view of the fact that the Fourth World Conference on Women is a United Nations' meeting, and in order to facilitate the extensive representation of the meeting of women coming from all around the globe, and insure the smooth proceeding of the meeting, we will draw on relevant international practice and offer facilities on courtesy concession treatments concerning sanitary and quarantine requirements to participants applying for entry into China to attend the conference, including Aids patients or HIV carriers.

"Nobody will be denied entry just because he or she is a AIDS patient or a HIV carrier," the Spokesman told the conference.

Defends Iran Nuclear Ties

HK2004153395 Beijing ZHONGGUO XINWEN SHE
in Chinese 1326 GMT 20 Apr 95

[FBIS Translated Text] Beijing, 20 Apr (ZHONGGUO XINWEN SHE)—In reply to a reporter's question this afternoon, Chinese Foreign Ministry Spokesman Chen Jian said that China and Iran are both signatories to the Nuclear Nonproliferation Treaty, and the nuclear cooperation between the two countries fully accepts the supervision of the International Atomic Energy Agency. Such nuclear cooperation conforms entirely with the provisions of international law, and therefore is above criticism.

In addition, in response to a reporter's request for comments on the differences between Chinese and U.S. foreign ministers over the cooperation between China and Iran in the peaceful employment of nuclear energy, Chen Jian pointed out that the Nuclear Nonproliferation Treaty has three main objectives: 1) Promoting nuclear arms reductions; 2) Maintaining the nonproliferation of nuclear arms; and 3) Promoting the peaceful employment of nuclear energy. He said: China believes that

enhancing the peaceful use of nuclear energy helps achieve the objectives of the Nuclear Nonproliferation Treaty.

U.S. Spokesman on Reactor Talks With DPRK

OW2004231595 Beijing XINHUA in English 2023
GMT 20 Apr 95

[FBIS Transcribed Text] Washington, April 20 (XINHUA)—The United States and the Democratic People's Republic of Korea (DPRK) today failed to resume their third round of negotiations on the light-water reactor supplier issue in Berlin, a U.S. State Department spokesman confirmed.

"It's true that from our vantage point the United States and North Korea (DPRK) had an unproductive meeting today in Berlin, and that we have not made the progress in this latest round in Berlin that we had hoped to make," spokesman Nicholas Burns said at a news conference here.

He was commenting on the latest Reuter's report of the U.S.-DPRK negotiations in Berlin. The report quoted DPRK chief negotiator Kim Chong-u as telling reporters earlier in the day that the talks had "broken off" as they had been unable to reach an agreement and that no more talks were planned with American negotiators.

The third round of talks, which have recessed twice since it was resumed late March, were reportedly stuck over demands by Seoul, backed by Washington, that South Korea play the leading role in designing and building new reactors in a 4 billion U.S. dollars project financed primarily by South Korea and Japan.

The DPRK had repeatedly rejected U.S. pressure to accept the South Korean reactors, but it proposed in the latest talks that Seoul play a subordinate role in the construction of the reactors.

The two light-water reactors are the key in implementing the landmark nuclear framework agreement signed between the United States and the DPRK last October in Geneva.

Under the accord, the DPRK agreed to freeze and finally dismantle its current nuclear program in exchange for the two reactors and alternative energy supplies from the United States.

Pyongyang has insisted that April 21 is the deadline for the two sides to end the talks and reach an agreement on who should supply the DPRK two reactors.

However, Washington has said that it does not recognize the date.

"We've made clear that we want to continue these talks in Berlin," Burns said. "Both the United States and the North Koreans (DPRK) and all the other parties involved...have an interest in that."

Clinton, Brazil's Cardoso To Open Markets*OW2004231695 Beijing XINHUA in English 2017
GMT 20 Apr 95*

[FBIS Transcribed Text] Washington, April 20 (XINHUA)—U.S. President Bill Clinton and Brazilian President Fernando Henrique Cardoso today reaffirmed their commitments to open their markets to each other's products.

"Brazil is one of today's biggest emerging markets, and it offers great opportunity for Americans," Clinton said at a joint news conference with Cardoso after their meetings at the White House.

As one step to expand the flow of goods and capital between the two countries, the two leaders agreed that the first meeting of the United States-Brazil Business Development Council will take place in Denver this June.

Clinton said the meeting of the Council will bring together private sector leaders to increase investment and trade in both nations.

On security issues, Clinton said they had a very good discussion about the need to stand firm together against terrorism, narcotics and money-laundering.

"I look forward to working with President Cardoso to forge an event stronger partnership between our nations and our peoples," Clinton said finally.

Cardoso described his country as a natural partner of the United States, saying that "the time is ripe for the design of a new affirmative agenda that will bring our two countries even closer together."

Cardoso said he assured Clinton during their meetings that the Brazilian government is committed to implement the agreement of last year's Summit of the Americas in Miami, which is to establish a free trade area of the Americas by the year 2005.

"I also had the chance to express to President Clinton our long-standing commitment to the cause of non-proliferation and peace," he said.

Brazil, with roughly the area of the continental United States and a population of about 160 million, is Latin America's largest market.

The nation is expected to spend about 70 billion dollars developing its basic facilities and services in coming years, and is privatizing vast state enterprises and granting concessions to foreign investors in an effort to draw medium- and long-term capital.

"The Brazilian economy is open to foreign investors and through this mechanism of concessions, public services concessions law," Cardoso stressed.

Pakistan, Seychelles, Yugoslavia Mourn Chen Yun*HK2104083295 Beijing XINHUA Domestic Service in Chinese 1158 GMT 19 Apr 95*

[FBIS Translated Text] Beijing, 19 Apr (XINHUA)—Farooq Ahmad Khan Leghari, president of Pakistan;

Benazir Bhutto, prime minister of Pakistan; France Albert Rene, president of Seychelles; and Radoje Kontic, prime minister of Yugoslavia, have recently sent telegrams of condolence to President Jiang Zemin and Premier Li Peng, to express their heartfelt condolences on Chen Yun's death.

President Leghari said in his telegram of condolence: "Mr. Chen Yun was one of the leaders of the revolution in China; he was an outstanding revolutionary and a brilliant leader of the party and the country. His unique contribution to the economic construction in China has earned him high prestige at home and abroad."

Prime Minister Bhutto said in her telegram of condolence: "The passing away of Mr. Chen Yun also cost Pakistan a real friend who had made important contributions to building the friendly relations between our two countries. Therefore, the people and government of Pakistan, like the friendly Chinese people, feel a great loss."

President Rene said in his telegram of condolence: In China at this time, "when the whole nation is grieving, the government and people of Seychelles, as well as myself, send our heartfelt and most sincere sympathy to the government and people of the PRC and to Mr. Chen Yun's family."

In his telegram of condolence, Prime Minister Kontic expressed his heartfelt condolences on the passing away of Chen Yun, an outstanding revolutionary in China and a senior leader of the country and the party.

Heilongjiang Governor Returns From Overseas*SK2004225895 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 17 Apr 95*

[FBIS Translated Text] After satisfactorily winding up visits to four countries, including Romania, the eight-member delegation headed by Governor Tian Fengshan returned to Harbin by plane this afternoon.

Ma Guoliang, deputy secretary of the provincial party committee and vice governor of the provincial government, and some other leaders welcomed the delegation at the airport.

After getting off the plane, Governor Tian Fengshan, beaming with satisfaction, reported to those who welcomed him: When visiting Romania, Yugoslavia, Poland, and the United Arab Emirates, the provincial delegation was received with high respect and welcomed by the governments and peoples of the four countries. During the visits, we emphatically inspected the situation in industry, commerce, trade, and agricultural and livestock enterprises, and also called on some well-known figures from enterprises and scientific and technological circles. The delegation also signed an agreement on establishing friendly ties with Poland's Olsztyn Province.

Governor Tian Fengshan said: The enhancement of mutual understanding and friendship are the biggest gain from these visits. Our introduction of Heilongjiang's

situation is conducive to their understanding and their assistance in developing Heilongjiang.

After returning to the motherland, Governor Tian Fengshan inspected Shenzhen's (Kangjia) Group's production and management situation. Heilongjiang will introduce (Kangjia) Group's advanced techniques and managerial experience to build an electronic town in Harbin and will also build a production line with an annual capacity of 1 million television sets in Mudanjiang. This will play a positive role in strengthening the cooperation between the south and the north, conducting cooperation with the areas south of the province, opening the province to the places north of the province, and developing Heilongjiang's electronic industry.

United States & Canada

Wang Hanbin Praises IPR Accord

HK2104062795 Beijing ZHONGGUO XINWEN SHE
in Chinese 1325 GMT 19 Apr 95

[By reporter Li Wei (2621 0251): "Wang Hanbin Says Differences Between China and U.S. Should be Settled Through Dialogue Rather Than Confrontation"]

[FBIS Translated Text] Beijing, 19 Apr (ZHONGGUO XINWEN SHE)—Meeting with a U.S. Congressman this afternoon, NPC Standing Committee Vice Chairman Wang Hanbin said: There are differences between China and the United States, but these differences should be settled through dialogue rather than confrontation. The fact that China and the United States reached an agreement on the intellectual property rights [IPR] question shows that it is completely possible to settle differences between the two countries through dialogue and consultations.

Wang Hanbin stressed: China attaches importance to developing Sino-U.S. relations. Generally speaking, Sino-U.S. relations have been developing, although there are some difficulties. China and the United States share common interests. Some major international issues demand their cooperation.

Speaking on the question of IPR protection when meeting with U.S. Republican House of Representatives Member Howard Coble and his party, he said: The NPC and its standing committee attach very great importance to IPR protection. For this reason, a series of IPR protection laws have been made, including the Trade-mark Law, the Patent Law, and the Copyright Law. On the Chinese side, problems that are currently outstanding are those relating to law enforcement. China thinks it important to resolve these problems, but it will take some time to ensure that the laws are completely abided by and strictly enforced.

Wang Hanbin said: China is determined to implement the policy of reform and opening up; therefore, its laws and regulations must be compatible with international practice.

Howard Coble said: I hope many more Congressmen will visit China. I also hope that a Chinese NPC delegation will visit the United States and will enhance understanding between the United States and China, because the United States and China, the two major countries, will play greater roles in the next century.

Coble and his party arrived in China for a visit at the invitation of the China People's Institute of Foreign Affairs. Institute Vice President Zhang Wenpu participated in the above meeting in the Great Hall of the People.

Qian Qichen Discusses NPT, Sino-U.S. Ties

OW2004123795 Beijing XINHUA Domestic Service in
Chinese 0902 GMT 20 Apr 95

[By reporters Xia Zhaolong (1115 0340 7893) and Gao Jianxin (7559 1696 2450)]

[FBIS Translated Text] New York, 19 Apr (XINHUA)—During an interview with reporters from the Chinese mainland, Hong Kong, and Taiwan, Qian Qichen, vice premier and foreign minister, answered reporters' questions on Sino-U.S. relations, mutual visits by top leaders on both sides of the strait, the Hong Kong issue, and the Nuclear Nonproliferation Treaty issue [NPT].

Qian Qichen said his talks with U.S. Secretary of State Christopher on 17 April were positive. During the talks, both sides demonstrated the desire to improve Sino-U.S. relations. He said he believed that although some differences and difficulties still remained, relations between the two countries would further develop.

On Sino-U.S. relations, Qian Qichen said Sino-U.S. economic and trade relations will expand even faster if some man-made obstacles are removed. He particularly mentioned problems concerning the implementation of the agreement on utilization of nuclear energy for peaceful purposes concluded between the two countries in 1985. After the agreement was signed, it was actually not implemented due to obstacles created by some people in the United States, and some concerned U.S. companies lost business opportunities. He expressed the hope that both China and the United States would continue to hold talks on this issue. He stressed that if this obstacle is not removed, the companies concerned in the United States will continue to lose opportunities in China. He said France, Russia, Germany, and Canada are currently cooperating with China in building nuclear power plants.

On the question of the peaceful use of nuclear energy, Qian Qichen said the policies pursued by China do not present an obstacle for the United States [mo you fang ai mei guo 3093 2589 1186 4293 5019 0948]. At present, the U.S. side maintains that China's cooperation with Iran on the peaceful use of nuclear energy is inappropriate. As far as the United States is concerned, it has its national policies and interests, which we understand and respect, but the United States should not demand that

other countries do as it does. To do so is to overstep the normal relations among countries.

Answering a reporter's question on mutual visits by top leaders on both sides of the strait, Qian Qichen said leaders of the two sides may meet and discuss any questions. As for the time and the place, they can be discussed. However, such meetings should not be conducted with the aid of any foreign country or an international occasion, because this is an affair of the Chinese people themselves.

On the Hong Kong issue, Qian Qichen indicated that any matter concerning what goes on beyond 1997 should involve consultations with China. At present, the British Hong Kong authorities are trying to finish many things according to their unilateral intentions in the hope that the government of the Hong Kong Special Administrative Region will act according to their plans. This is no good.

On the question of extending the "Treaty on the Non-proliferation of Nuclear Weapons," Qian Qichen said China hopes that the signatory countries will reach a consensus on the method of extending the treaty. Whether it is extended indefinitely or extended to various fixed periods poses no difficulties for China. If the extension method is chosen on the basis of a majority opinion and with a lack of unanimous consensus, objectively speaking, the treaty would be extended, but two types of opinions would exist, and the authoritativeness of the treaty would be less impressive.

Senior PLA Officer Meets U.S. Guests

OW2004114895 Beijing XINHUA in English 1113 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—Xiong Guangkai, assistant chief of the General Staff of the Chinese People's Liberation Army (PLA) met here today with Robert Kerrey, vice-chairman of the United States Senate Select Committee on Intelligence.

They exchanged views on Sino-US relations during the meeting.

Kerrey and his party are here as guests of the Chinese People's Institute of Foreign Affairs.

Qian Qichen Discusses Results of U.S. Visit

HK2004124895 Beijing ZHONGGUO XINWEN SHE in English 1153 GMT 20 Apr 95

[FBIS Transcribed Text] New York, April 19 (CNS)—Economic relations and trade between China and the United States will see further development if some artificial obstacles are eliminated, said Chinese Vice Premier and Foreign Minister Qian Qichen when speaking of Sino-American economic ties.

Mr. Qian said that trade value between China and Japan had reached US\$ 47 billion last year while that between China and the US was a mere US\$ 30 billion. It is clear

that economic cooperation and trade between China and the US is yet to be further exploited and the potential in this sector is rather great.

The Chinese senior official added that some US enterprises were very eager to strike cooperation with China and that such attempt had not yet been realized due to a variety of reasons. Mr. Qian was convinced that it had produced a loss for these US enterprises and the US side was to blame for such loss.

Mr. Qian is to return home later today and he convened a press conference this morning at the place where the Chinese Permanent Mission to the United Nations is stationed. When speaking of a meeting with US Secretary of State Warren Christopher two days ago, Mr. Qian said that the meeting was positive and that the two sides held discussion in a way toward improvement of Sino-American relations.

The minister said he believed that relations between China and the US would go further, adding that it did not mean that differences and problems between the two countries were settled just by means of one meeting. He described the meeting as part of an effort to solve the problems.

Northeast Asia

Qiao on Korean Situation, PRC-ROK Relations

SK2104043595 Beijing China Radio International in Korean 1100 GMT 20 Apr 95

["Chairman Qiao Shi Talked About the Situation on the Korean Peninsula and PRC-ROK Relations"]

[FBIS Translated Text] Chairman Qiao Shi of the Chinese National People's Congress [NPC] Standing Committee, who is now in the ROK for a visit, stated in (?Beijing) on 14 April that it is the PRC's consistent, basic principle to try to preserve peace and stability on the Korean peninsula and that the PRC will continue to make joint efforts with the ROK to continue to develop economic and trade cooperation and good-neighborly relations of friendship and cooperation between the two countries and to achieve peace and development of the world.

At a welcome banquet arranged in Seoul by the Federation of Korean Industries on 18 April, Qiao stated that it is the PRC's consistent, basic principle in dealing with the question of the Korean peninsula to defend peace and stability there. He pointed out that the division of the Korean peninsula is a misfortune of history and that, because of this, the Korean people have been undergoing the sufferings of division for half a century.

He also said: The PRC supports all active assertions and proposals put forth by both North and the South ends of the peninsula to alleviate the tense situation. The PRC also hopes that both sides will solve all pending issues through consistent efforts and through patient and sincere dialogue and negotiations.

He said the PRC hopes that both sides will dissipate the hostile feelings they had in the past, will build trust between them, and, thus, will eventually achieve independent and peaceful reunification.

Referring to PRC-ROK relations, Chairman Qiao stated: The trade between the PRC and the ROK has sharply increased in recent years and reached \$17 billion last year. The PRC ranks third as a trade partner of the ROK, and the ROK ranks (?sixth) as a trade partner of the PRC. [passage indistinct]

Choe Chong-hyon, chairman of the Federation of Korean Industries, said that the economic relations between the two countries of the ROK and the PRC are not mere relations of trade, but have developed into a higher stage of relations of industrial cooperation. He said that the two countries are in complementary relations in the economic field and that, therefore, economic cooperation between the two countries should be further strengthened.

Chairman Qiao Shi said that the Chinese people are a peace-loving nation and that the PRC's development means an increase of the world's peace forces.

Stressing that the PRC is linked with the world, he said that to realize the objective of the PRC's own development efforts, the creation of peaceful international circumstances is a must and that the PRC should establish and maintain a long-term and stable relationship of good-neighborliness with many countries of the world and, particularly, with neighboring countries.

Noting that the PRC always adheres to a sovereign, independent, and peaceful diplomatic policy, Qiao said that even when it becomes rich in the future the PRC will firmly maintain friendship with other countries on the basis of the five principles for peaceful coexistence.

Stressing that this year marks the 50th anniversary of the victory of the antifascist war, Qiao said that this year many neighboring countries should recall the historical changes effected in mankind's society of the 20th century and find a lesson in them.

Chairman Qiao said that people should hate aggression, should heighten vigilance against the words and deeds distorting history, and should jointly prevent the tragic affairs of history from being repeated.

Tian Jiyun Meets Seoul Council President

OW2004142395 Beijing XINHUA in English 1413
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—Tian Jiyun, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met with Pak Chong-hwan, president of the Metropolitan Council of Seoul, capital of the Republic of Korea (ROK), and his party here today.

China and the ROK are close neighbors as well as friends, Tian said. Since the two countries forged diplomatic relations, bilateral contacts and economic and trade relations have recorded new progress.

The establishment of sister-city ties between Beijing and Seoul has further promoted the friendship between the two capital cities, Tian added.

Voicing agreement with Tian's remarks, Pak said Beijing Mayor Li Qiyuan's trip to Seoul last year on the 600th anniversary of Seoul's establishment has propelled the relations between the two metropolises. He also expressed the hope that such ties would be enhanced further.

Discussing economic and trade issues, Tian noted the rapid growth of bilateral co-operation and the fact that the ROK now ranks as China's sixth-biggest trading partner. "We can learn much from the experiences of your economic buildup," Tian told Pak, adding that the two countries enjoy prospects for co-operation in such industries as electronics, chemistry and automobile manufacture.

"I hope Beijing and Seoul will co-operate in a wide range of spheres," Tian told the ROK visitors.

In recent years the economic collaboration and exchanges between Beijing and Seoul have seen rapid development. By the end of last month, the ROK had invested 232 million US dollars in 305 projects in Beijing.

Qiao Shi Tours Hyundai Facilities

OW2004143895 Beijing XINHUA in English 1421
GMT 20 Apr 95

[FBIS Transcribed Text] Seoul, April 20 (XINHUA)—Chinese top legislator Qiao Shi encouraged South Korea's industrial firms to increasingly involve themselves in the Chinese market and help pioneer a new phase in the Sino-South Korean economic cooperation.

Qiao, Chairman of the Chinese National People's Congress (NPC) Standing Committee, made remarks to this effect during a four-hour tour today to the Hyundai Heavy Industrial Corporation, Ulsan City, Kyongsang Nam-do Province, South Korea.

The visit provided him with a good opportunity to study the stories of South Korea's successful large enterprises, Qiao said, adding that the experience would be worth learning from by their Chinese counterparts.

The Hyundai Heavy Industrial Corporation, one of the major subsidiaries of the Hyundai Corporation which is South Korea's largest enterprise group, is well-known for its shipbuilding capacity, heavy-duty machinery manufacturing and the production of powerful engines for ocean-going vessels.

The corporation has the world's largest shipbuilding wharf on which seven vessels of more than 100,000 tons can be built simultaneously.

Accompanied by Chong Sei-young, President of Hyundai, Qiao walked along the wharf and through workshops manufacturing crankshafts, engines and other heavy-duty machines, making inquiries about the performance, specifications and capability of the products.

Qiao arrived in Pusan, South Korea's second largest city, this afternoon. He was the guest of honor at a dinner given by the Pusan city mayor, at which both expressed the belief that Pusan would expand its economic cooperation with Shanghai, Pusan's sister-city, and other parts of China.

Southeast Asia & Pacific

Chinese Dams To Help Prevent Floods in Thailand

OW2004140895 Beijing XINHUA in English 1258
GMT 20 Apr 95

[FBIS Transcribed Text] Bangkok, April 20 (XINHUA)—Construction of new dams in China will help prevent Thailand from abruptly disastrous floods, a Thai expert said here today.

Promote Maiklad, inspector-general of the Ministry of Agriculture and Cooperatives, was quoted by the Thai news agency as saying that China's plan to construct nine dams in its part of the Mekong River will help hold up increasing water in the rainy season and reduce the risk of abrupt floods in Thailand.

The new dams will prevent disastrous floods in the Indo-Chinese countries—Cambodia, Vietnam and Laos—as well, he said.

The new dams, when completed, will also help Thailand and the three Indo-Chinese countries have enough consuming water in Summer, he added.

Hanoi, Beijing To Cooperate in Water Conservancy

OW2004121195 Beijing XINHUA in English 1056
GMT 20 Apr 95

[FBIS Transcribed Text] Hanoi, April 20 (XINHUA)—Vietnam and China will cooperate in water conservancy projects and in the related technological exchange and personnel training, under an agreement signed between the two countries in Hanoi today.

Niu Maosheng, the visiting Chinese minister of water resources, who signed the accord with his Vietnamese counterpart Nguyen Canh Dinh, said that there are broad prospects for the two countries to cooperate in the development of water resources and that China is willing to see closer bilateral cooperation in this area.

Vietnamese Prime Minister Vo Van Kiet met with Niu and his delegation after the signing ceremony for the agreement.

He expressed the hope that China will help Vietnam in solving certain problems concerning water conservancy.

Niu arrived in Hanoi on Monday for a seven-day visit.

Hu Jintao Meets Visiting Vietnamese Delegation

OW2004140995 Beijing XINHUA in English 1258
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—Hu Jintao, a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), said here today that the CPC treasures and will make efforts to further strengthen its traditional friendship and good-neighborly relations with Vietnam.

Hu, also a member of the Secretariat of the CPC Central Committee, made the remark in a meeting with a visiting Vietnamese delegation led by Nguyen Dinh Tu, a member of the Secretariat of the Vietnamese Communist Party Central Committee.

Hu said that the relations between China and Vietnam have resumed and developed rapidly since the two countries normalized ties in 1991. He added that leaders of the two countries have maintained contacts.

CPC General Secretary Jiang Zemin paid an official goodwill visit to Vietnam last year, Hu recalled, and the visit laid the foundation for the further development of bilateral relations.

China and Vietnam are close neighbors, Hu noted, and both countries are undergoing reforms or renovations as well as opening to the outside world.

To learn from each other by increasing exchanges between the two Communist parties will be conducive to gaining deeper mutual understanding, Hu said.

The CPC leader went on to say that to develop friendly relations and co-operation between the two countries and the two parties is in the common wish and in the fundamental interests of the two sides, as well as is conducive to peace, stability and development in Asia and the world as a whole.

Nguyen, who is also in charge of a scientific and educational commission of the Vietnamese Communist Party, said that the Chinese people, under the leadership of the CPC, have made remarkable achievements in implementing the policies of reform and opening to the outside world over the past decade or so, particularly in the scientific and educational fields.

Nguyen said that the Vietnamese Communist Party values China's experience and is ready to strengthen

exchanges with China in order to promote the development of relations between the two countries and the two parties.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, was present at the meeting.

The Vietnamese visitors are here as the CPC's guests. During their stay here, they had meetings with officials from the Chinese Academy of Sciences, the State Commission for Science and Technology and the State Education Commission.

Near East & South Asia

Nepali Finance Minister Ends 10-Day Visit

OW2004172695 Beijing XINHUA in English 1621
GMT 20 Apr 95

[FBIS Transcribed Text] Kathmandu, April 20 (XINHUA)—Nepali Finance Minister Bharat Mohan Adhikari returned here this evening after his 10-day visit to China.

The finance minister termed this visit to China as "one hundred percent successful" on his arrival at the Tribhuvan International Airport when he answered questions raised by the press.

He left here on April 10 to participate the 7th session of the Nepal-China Inter-Governmental Economic and Trade Committee (IGETC) to review the 6th session of IGETC and tap the new areas of cooperation between the two countries.

After the conclusion of the 7th IGETC session, the finance minister joined the visiting delegation led by Prime Minister Man Mohan Adhikari who left here on April 16 for a five-day official visit to China at the invitation of Chinese Prime Minister Li Peng.

Further on Nepalese Premier's Visit, Departure

Joint Communiqué Issued

OW2104053195 Beijing XINHUA in English 0437
GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—China and Nepal issued a joint communiqué here today concerning the China visit by Nepalese Prime Minister Man Mohan Adhikari.

At the invitation of Chinese Premier Li Peng, Prime Minister Man Mohan Adhikari paid an official goodwill visit to April 17 to 21 [as received].

During the visit, Chinese President Jiang Zemin met with Prime Minister Adhikari. Adhikari and Premier Li Peng held talks in a friendly atmosphere. Adhikari and

his party also toured development projects and sites of historical interest in Beijing and Shanghai, the communiqué said.

Adhikari was accompanied by Mrs. Sadhana Adhikari, Minister of Finance Bharat Mohan Adhikari, Minister of State for Works and Transport Ashok Kumar Rai, Chief Advisor to the Prime Minister Iswar Pokharel, members of the Nepalese Parliament, senior officials of the Nepalese Government and a group of businessmen and industrialists, the communiqué said.

Leaders of the two countries reviewed with satisfaction the steady progress of their bilateral relations on the basis of the Five Principles of Peaceful Co-existence and agreed to further enhance mutually beneficial cooperation in the economic, trade, cultural, educational, technical and other fields, the communiqué said.

According to the communiqué, the Nepalese side thanked the Chinese side for the cooperation and assistance it had rendered to Nepal in her development endeavors. The Chinese side reiterated its readiness to extend further assistance to Nepal in its economic development and promote joint ventures in Nepal.

The two sides signed the Agreement on Economic and Technical Cooperation between the two governments. The two sides also expressed satisfaction at the successful conclusion of the Seventh Ministerial Meeting of the joint Economic and Trade Committee held in Beijing from April 12 to 14, 1995, the communiqué said.

Adhikari apprised Li Peng of the recent political development in Nepal and the strategy formulated by the new Nepalese Government to accelerate the pace of Nepal's economic, social and cultural development on the basis of social justice. Li expressed his admiration for the vigorous efforts made by the new Nepalese Government under the leadership of Adhikari in building up the country and briefed Adhikari on China's current situation of political stability, economic development and improvement of people's living standards and on its policy guidelines for deepening reform and opening-up and building a socialist market economy, the communiqué said.

The communiqué said Premier Li Peng thanked the Nepalese government for its support to China on the issues of Tibet and Taiwan, and for its recent support on the issue of human rights at the 51st Session of the UN Human Rights Commission in Geneva. Adhikari reaffirmed Nepal's unflinching stand that Tibet and Taiwan are inalienable parts of the People's Republic of China.

Leaders of the two countries reviewed the international situation and exchanged views on international and regional issues of common interest, the communiqué said. The two sides were of the view that with the general relaxation of international situation and a growing trend towards multi-polarity, it has become the mainstream of

the world to seek peace and stability and to promote cooperation and development.

Nevertheless, as there still exist a number of destabilizing factors and uncertainties, the world is by no means problem-free. Taking into account the increasing importance of economic relations in international affairs, the two sides held that the interests and needs of developing countries should receive greater attention.

The Nepalese side believed that given the common problems of underdevelopment and backwardness, the member countries of the South Asian Association for Regional Cooperation (SAARC) should further enhance their mutually beneficial cooperation in tangible fields so as to uplift the living standards of over one billion people in South Asia. The Chinese side expressed its wish to see continued peace, stability and development in South Asia, and its support to SAARC in the latter's efforts for enhanced friendship, cooperation and stability in the region, the communique said.

Adhikari expressed his thanks to the Chinese Government and people of China for the hospitality. He also expressed his appreciation for the tremendous achievement made by the people of China in all fields of reform, opening-up and modernization drive and wished China still greater successes in future, the communique said.

Adhikari renewed the invitation extended by King Birendra Bir Bikram Shah Dev of Nepal to President Jiang Zemin to pay a state visit to Nepal at his earliest convenience, the communique said. President Jiang stated that he would be happy to do so at a time of

mutual convenience and asked Adhikari to convey his greetings to the King. Adhikari also invited Li to pay an official visit to Nepal at a convenient time and Li accepted the invitation with pleasure.

Visit to Mongolia Scheduled

*OW2104033695 Beijing XINHUA in English 0325
GMT 21 Apr 95*

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—Nepalese Prime Minister Man Mohan Adhikari concluded his official goodwill visit to China and left for Mongolia here today.

The prime minister arrived here on April 17 at the invitation of Chinese Premier Li Peng.

Adhikari returned here earlier this morning after traveling to Shanghai. The guests were accompanied by Wang Senhao, chairman of the Chinese Government Reception Committee and minister of coal industry.

Departure to Mongolia Delayed

*OW2104091895 Beijing XINHUA in English 0843
GMT 21 Apr 95*

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—Nepalese Prime Minister Man Mohan Adhikari is still in Beijing as he was not able to fly to Mongolia today due to poor weather in Ulaanbaatar.

Sources at the Chinese Foreign Ministry said that Adhikari is rescheduled to leave tomorrow.

Political & Social

Jiang Celebrates Birthday of Journalist

OW2004141395 Beijing XINHUA in English 1306
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—Chinese President Jiang Zemin and other Chinese leaders gathered at the Great Hall of the People here this afternoon to mark the 80th birthday of Israel Epstein, the doyen of modern Chinese journalism.

Baskets of flowers sent by President Jiang, Premier Li Peng, Chairman of the Chinese People's Political Consultative Conference Li Ruihuan and other Chinese leaders were displayed in the meeting hall.

Born into a Jewish family in Warsaw, capital of Poland, Epstein came to China with his parents when he was only two years old. After finishing school in the north China city of Tianjin, he began his journalistic career at the age of 15. Early in the 1930s, he joined a league to defend China at the invitation of Soong Ching-ling who founded the league. Today Epstein is one of the few surviving journalists in the world who covered Chinese War Against Japanese Aggression in the 1930s, interviewed the late Chairman Mao Zedong in the Yan'an caves in the 1940s and reported the Korean War in the early 1950s. And then, he came to China from the United States at the invitation of Soong Ching-ling to launch a magazine, "China Reconstructs". He went to Tibet four times to do reporting.

President Jiang extended warm congratulations to him on his birthday and expressed best wishes for his health. The Chinese leader spoke highly of Epstein's 60-year career reporting China's revolution and construction and the life of the Chinese people, which, he said, illustrated his lofty internationalism.

Jiang said that Epstein's numerous reports and writings about China's past and present informed the world of what really happened in China and promoted mutual understanding and friendship between the Chinese people and the people of the rest of the world.

During the meeting, Eppie (as he is affectionately known) presented copies of his latest book "Selected Writings of Epstein" to President Jiang and Chairman Li Ruihuan.

After the meeting, Epstein was invited to attend a tea party attended by more than 200 people in honor of his birthday in the Great Hall of the People.

Looking back on his 60 years as a journalist in China, Epstein told the gathering that what he did "was only reporting to overseas readers about the Chinese people and the Chinese Communist Party's heroic achievements all through these decades."

He added, "Without seeing for myself the Chinese people's achievements, I could never have written my stories."

Epstein, who became a Chinese citizen in 1957, said that he was very proud of being a citizen of New China. "Since I have witnessed an old country being reborn with ther vigor of youth, I feel myself becoming young," he said. "Although I'm 80, I want to do more work."

Epstein joined the Chinese Communist Party in 1964, and is now a member of the Standing Committee of the Chinese People's Political Consultative Conference and honorary editor-in-chief of the monthly magazine CHINA TODAY.

Commentary on Importance of Population Control

OW2004133595 Beijing XINHUA Domestic Service in Chinese 0946 GMT 17 Mar 95

[Commentary by XINHUA reporter Yu Changhong (0060 7022 3163): "Population Is an Important Matter Having a Bearing on the Overall Situation"]

[FBIS Translated Text] Beijing, 17 Mar (XINHUA)—To make our country reasonably prosperous before the end of the century, we must not only make constant progress in reform, opening up, and economic construction, but also keep the country's total population below 1.3 billion by the end of the century. This is an indispensable precondition, as well as an important task that has a bearing on the overall situation of reform, development, and stability.

In the early eighties, China formulated the strategic plan for accomplishing modernization in three steps [1. double the 1980 GNP and solve the problem of food and clothing for the Chinese people; 2. double it again by the end of this century, enabling the Chinese people to lead a fairly comfortable life; and, 3. basically accomplish the modernization drive and reach the per capita GNP of moderately developed countries by the middle of the next century, enabling the Chinese people to enjoy a relatively affluent life]. The objective of economic and social development in the nineties is to attain the strategic plan's second step of quadrupling the 1980 GNP in terms of constant prices and enabling the people to lead a fairly comfortable life by 2000. To do so, on the one hand, we must maintain an average annual GNP increase of 8-9 percent in the nineties; on the other hand, we must keep the average annual natural population growth rate below 12.5 per thousand and basically make the population a modern type with a low birth rate, low mortality, and low growth.

This is the first time we have attached equal importance to both population control and economic development in formulating the overall strategy for economic and social development, raising people's awareness of the importance, urgency, and arduousness of family planning.

In the 25 years since the seventies, the comprehensive promotion of family planning has reduced the number of births in China by more than 300 million. This is a great achievement. People dare not picture what the situation would be like if our population was 300 million greater.

However, China's population base is too large. On 15 February this year, the population reached 1.2 billion, sounding another alarm. Although we have been able to keep the natural population growth rate around 11 per thousand in recent years, the annual absolute number of births has been around 21 million, with an annual net population growth of 14 million, due to the large population base. The annual population growth is equal to Shanghai's total population. The excessively fast population growth has created great pressure on grain supply, housing, transportation, education, and medical care. More and more people have realized that the population issue is an important matter that we must first consider to develop the economy and stand on our own feet among nations.

China's basic national condition is one of large population and small area of cultivated land. Our cultivated land, accounting for 7 percent of the world's total, feeds 22 percent of the world's population. This is an amazing achievement. However, the great population growth is a heavy burden on our country, a developing country. To each family, maybe it is not difficult to put one more pair of chopsticks on the dining table. However, if each of the more than 200 million couples of child-bearing age gives birth to one more child, it will create an unbearable burden on society, and eventually the extra burden will also be unbearable for each family. The excessive population growth greatly reduces the per-capita amount of natural resources and impedes improvement of the people's living standards. China's GNP is in the world's front ranks, but its per-capita GNP ranks way beyond the 100th place in the world. According to an estimate, the annual population increase in China consumes about 20 percent of the increase in its national income.

Only by persisting in family planning and effectively controlling population growth can we create favorable conditions for economic takeoff and for improving the people's livelihood. Family planning in China has reduced the number of births by more than 300 million, and this reduction has led to a savings of 4 trillion yuan in child support. From 1952 to 1978, China's gross domestic product [GDP] increased 370 percent, but the per-capita GDP rose only 180 percent due to sharp population growth. From 1978 to 1994, the GDP increased 320 percent; while the per-capita GDP rose 240 percent due to effective population control, and this meant practical social benefits.

The period between now and the end of the century is crucial to both China's economic development and population control. To a considerable extent, the success in China's economic development will depend on such "family matters" as births. Reality demands people raise their awareness of the population problem and conscientiously implement the basic national policy of family planning. Family planning is an important matter beneficial to the country, every family, and every individual.

Procurator General: Major Corruption Sources Targeted

OW2004141195 Beijing XINHUA in English 1307
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—China's top procurator Zhang Siqing claimed today that major achievements have been made in the country's anti-corruption drive, and the prime targets now are party and government officials at the county level and above.

"The uncovering of major cases involving high-ranking officials shows how deeply the current anti-corruption campaign is cutting," said Zhang, procurator general of the Supreme People's Procuratorate.

He was speaking at a conference to commend 186 elite procuratorial bodies and 175 procurators today.

The correct handling of the "major corruption cases", he said, has had a great social impact and helped to win the confidence of the people.

Zhang asked every procuratorate to put the emphasis of work this year on digging out the major and important cases that the public are most concerned with and will have considerable effect to the cleaning up of government.

Meanwhile, corruption cases relating to leaders of State-owned enterprises and township enterprises will be another target this year, in line with the demand by the central authority, he said.

The latest figures show that procuratorial bodies nationwide investigated and dealt with 88 corrupt officials at the city level and 1,827 above the county level in 1994. The courts across the country at the same time have given sentences to one vice minister, 28 officials at the city level and 202 at the county level for corruption.

The top procurator said the deeper the anti-corruption drive goes, the more complicated the situation will be, the more fierce the fight will become, and the more difficulty his staff will face.

However, he pledged that the procurators will continue to further the drive in answer to the demands of the State and the people.

The other tasks set for this year include:

- Curbing the rising criminal activities to maintain social stability and public order;
- Strengthening supervision of law enforcement and getting rid of local and departmental protectionism to maintain unified and correct implementation of the law; and
- Continued efforts to punish illegal activities inside the government and law-enforcement bodies aimed at personal gains;

Zhang said the organizations and individuals commended today have set good examples for his staff across the country and should be earnestly learned from.

'Newsletter' on Model Official Kong Fansen

OW2004144995 Beijing XINHUA Domestic Service in Chinese 0735 GMT 6 Apr 95

["Newsletter: Kong Fansen, a Model for Leading Cadres"—XINHUA headline; by reporters of XINHUA NEWS AGENCY, RENMIN RIBAO, XIZANG RIBAO, and DAZHONG RIBAO]

[FBIS Translated Text] Beijing, 6 Apr (XINHUA)—Time may, perhaps, transform the mountains and rivers, but history will attest again and again that some spirits will never die. Loftiness, loyalty, and selflessness—they will be the eternal pursuit of humanity transcending time and space.

Time may, perhaps, dilute our memory, but people will never forget that there was a party member in the 1990's whose ideals, conviction, character, and values jolted the minds of tens of millions of people.

He is Kong Fansen, former secretary of the Ngari Prefecture Party Committee. He devoted his flaming ardor to the Tibet Plateau.

Two Stints in Tibet for A total of 10 Years. His Mental Outlook Ascended Each Time He Responded To the Call of the Party and Made a Choice in Life

On 4 April, 1993, Kong Fansen bid goodbye to Lhasa and left for Ngari to assume his post. The cross-country car he was riding in sped westward. Picture-like scenes of the plateau flew past outside the window: the clear water of the Lhasa He, the surging waves of the Yarlung Zangbo Jiang, the snow-capped mountains, and lakes as bright as a mirror.... Kong Fansen ardently cherished the mountains and rivers of Tibet. At this particular moment, he was, however, in no mood to admire the scenic beauty of the Tibet Tableau. The hazy, endless road that stretches ahead is like the passage of life. Looking back at the path he had traversed and contemplating the way that lies ahead, his mind was already flying toward Ngari.

Kong Fansen were assigned to work in Tibet twice. He had already been in Tibet for six years by now. By rights, he should be traveling eastward going back to his home by this time. He had, however, accepted a more demanding assignment and now he was heading west to a more harsh environment to assume the post as secretary of the Ngari Prefecture CPC Committee.

Cold, high in altitude, scant of oxygen, the Tibet Plateau, also called the "roof of the world," has a very harsh climate; and Ngari Prefecture is the toughest place in all in Tibet. With an average height of 4,500 meters above sea level, the amount of oxygen in the air is less than half of that at sea level and the temperatures can be as low as

40 degrees centigrade below zero. Before democratic reforms, the barbarous feudal-serf system severely hampered development of local productive forces. Production and livelihood for people of Tibetan nationality remained in the primitive stage for thousands of years. Following democratic reform and especially since the Third Plenary Session of the 11th CPC Central Committee, Ngari Prefecture had undergone tremendous changes. For historical reasons, and because of its natural conditions, the prefecture's economic development was rather slow and living standards were quite low compared to other areas. There was particular reason, then, why an excellent cadre in his prime such as Kong Fansen was needed in the prefecture. When the leadership of the autonomous region approached Kong Fansen about the assignment, his response was firm and straightforward: "As a cadre of the party, I submit myself to the assignment of the party."

More than once before Kong Fansen had accepted assignment in this way. Each time the needs of the party and people were all that he considered.

Kong was born in 1944 to a poor family in Liaocheng, Shandong. Trained and educated by the party, he served in the army, joined the party, and was later assigned to work in the locality. In 1979, when the state transferred a number of cadres from the inland to Tibet, Kong Fansen, then deputy head of the propaganda department of the Liaocheng Prefecture CPC Committee, accepted the assignment with enthusiasm. He was fully aware that Tibet was far far away, that conditions were harsh, and that he would have to live far away from his home and loved ones. He was even more aware that this was what the motherland and the people needed, this was the call of the party.

From the day he stepped on to the Tibet Tableau, Kong Fansen decided in his mind that he would devote himself heart and soul to this sacred land of the motherland and to the diligent and courageous Tibetans. Kong Fansen's original assignment was as deputy head of the propaganda department of the Xigaze Prefecture CPC Committee. After his arrival, the prefecture CPC committee, impressed by his youth, robust health, and boundless enthusiasm, decided to reassign him as deputy head of the party committee of Gamba County, which is 4,700 meters above sea level. When he was consulted about the assignment, he answered forthrightly: "No problem. I am young. At worst, I'll have to breathe a little harder." That was shortly after the Third Plenary Session of the 11th CPC Central Committee. To implement the household-based system of contracted responsibility with remuneration linked to output in rural areas, and to lead people in overcoming poverty and achieving prosperity, he stayed at a village to personally supervise trial implementation and later popularized the experience gained across the county. During his three-year stay in Gamba, he visited almost every village in the county. Everywhere he went, he visited the indigent families, publicized the

party's policy, and worked alongside the people harvesting crops, threshing grain, and digging ditches, establishing a profound affection with the local population. Once, he fell from a horse on his way to the countryside and lost consciousness. The local Tibetans walked 30 km of mountain road, carrying him to a hospital for emergency treatment. When he came to, he saw he was surrounded by Tibetans guarding him. In 1981, when he was transferred from Gamba, Tibetan compatriots tearfully bade him farewell.

After working in Tibet for three years, Kong Fansen developed an intense fondness for the beautiful and mystical plateau, as well as for the Tibetan people there. Meanwhile, he was keenly aware of the strong desire of local people for changes to their impoverished state. After returning to Shandong, he said: "The Tibetan people saved my life. If I get another chance, I am willing to return to work on the land that I will not forget in my lifetime."

Time flew. Kong Fansen was again faced with a grim challenge in 1988, when he was Liaocheng Prefectural deputy commissioner after having being transferred to several different posts.

Citing his political maturity and experience of working in Tibet, Shandong Province was making arrangements for Kong Fansen to head a delegation of cadres who had been selected to work in Tibet that year. When his unit asked him if he had any problems, he repeated what he had said before: "As a party cadre, I will accept organizational arrangements." As a matter of fact, Kong Fansen was keenly aware of his problems at home: He was not in the same physical condition as before; his 90-year-old mother could not take care of herself; his three children were still underage and needed to be cared for; and his wife was frail and sickly after having undergone several major operations. After he left, the heavy burden of caring for the entire family would fall on his wife. He could not forget what had happened in his home when he was first assigned to Tibet; his wife had to take care of everything. Once, when she was digging up sweet potatoes, their five-year-old son fell into the cellar because nobody was looking after him...[ellipses as received] Kong Fansen felt sorry for his wife and their children.

One day Kong Fansen told his wife Wang Qingzhi: "Let me take you and the children to Beijing for a few days." His wife was surprised: Kong Fansen had never found the time to take her and their children on an outing in Liaocheng, to say nothing of Beijing. What happened? Puzzled, Wang Qingzhi and their children followed him to Beijing where they visited Tiananmen and the Great Wall. On their way, Kong Fansen told his wife mysteriously: "To be in Beijing is like being in any part of the country. Wherever I go in the future, it would be like being in Beijing. You and the children should not worry about me." Upon hearing this remark, Wang Qingzhi developed a premonition. After returning to Liaocheng from Beijing, Kong Fansen spent all the time thinking of

a proper way to bring the matter up with his wife. One night, he finally summoned up courage and said: "Qingzhi, my unit is again arranging for me to go to Tibet...[ellipses as received]" Before he could finish his words, tears began streaming from Wang Qingzhi's eyes like beads from a broken thread. He felt spasms of crushing grief at the sight of his grief-stricken wife. He said emotionally: "Qingzhi, I owe you too much. I will doubly make up for it when I return from Tibet."

"Just go there and do not worry about anything," Wang Qingzhi said between sobs, adding: "Please take good care of yourself when you are away from home." For days, Wang Qingzhi quietly wiped away her tears as she packed things her husband's things.

Before setting out, Kong Fansen stood silently before his mother and stroked her sparse gray hair. With a quivering voice, he whispered into her ear: "Mother, I have to travel again. I am going to a very remote area, and I have to climb several mountains and cross many rivers."

"Can't you refuse to go?" his elderly mother asked as she patted his head.

"I cannot do that, mother. I am a party member," Kong Fansen said in a voice choked with emotion.

"In that case, you have to go. You cannot neglect official business. Take enough clothes and precooked food with you. Do not drink cold water on the way..."[ellipses as received]

Knowing that this might be the last he would see of his old and frail mother, Kong Fansen could no longer suppress his feelings. With a "thump," he knelt in front of his mother and said: "From ancient times, loyalty and filial piety have not mixed. Mother, please take good care of yourself." With tears streaming down his face, he kowtowed deeply to his mother.

A true hero may not be an unfeeling person. For the sake of the party's cause, Kong Fansen buried his love for his home town and dear ones deep in his heart, and gave his magnanimous and selfless love to the motherland and the people.

In 1988, Kong Fansen was sent to Tibet for a second time to serve as the vice mayor of Lhasa city, and to take charge of cultural, educational, public health, and civil affairs. During his tenure, he visited all public schools and more than half of the township and village-run primary schools in eight counties and districts, wracking his brain to find ways to develop the education of ethnic minorities. He met with a car accident in 1991 and went into a coma, suffering from a fractured skull, severe cerebral concussion, and a high temperature. One day, while recovering in hospital, he got wind of a problem in a school. He immediately cycled to the school to handle the problem, paying no attention to his fever and blood-shot eyes. Thanks to his effort and that of other educational workers, the enrollment rate of school-age children in Lhasa climbed from 45 percent to 80 percent.

This time, when some of his comrades found out Kong Fansen was going to extend his stay in Tibet to work in Ngari, they advised him: You are a Shandong cadre and you have come to Tibet twice. You have suffered enough. With your career achievements and capability, you should be able to fare better and make more progress when you return home. His face took on a stern expression when Kong Fansen heard their remarks. He said: "How can you say that I am a Shandong cadre? As members of the Communist Party, we are party cadres no matter where we work. The more remote an area, the more our struggle, hard work, and contributions are needed. We will not be able to face the party and masses if we fail to make our contributions."

Nearly 2,000 km of rough and bumpy journey separates Lhasa from Shiquan He town, the site of the Ngari Prefectural party committee building and prefectural administrative office. Two days after he left Lhasa, Kong Fansen arrived in Coqen County, Ngari Prefecture. The magnificent view of the great grasslands of northern Tibet unfolded before his eyes: In the distance, long and unbroken stretches of majestic, snow-covered mountains snaked under the blue sky, and vast expanses of grassland stretched to the horizon. Nearby, colorful prayer streamers for good fortune covered piles of stones of manidui [3854 1441 1018], and clumps of red willows, found only in cold regions at high altitudes, blazed under the sun and almost blinded him. White clouds floated across the sky, blocked only occasionally by dark clouds. Snow flakes fell thick and fast on the grassland, and sand and wind swept across them...[ellipses as received]

Kong Fansen, a person full of feeling who enjoyed wide interests, loved reading, writing poems, and photography. He was moved by what he saw. Many elder generations had struggled, shed their blood, and sacrificed themselves on this sacred land in the southwestern border area of the motherland. Today, the party had sent him here to fulfill a glorious and arduous mission. Welling up inside him was a lofty sense of responsibility and the feeling that he was undertaking a sacred mission.

Kong Fansen began his investigations and surveys as soon as he entered the jurisdiction of Ngari Prefecture. Travel-worn and weary, he arrived at the Coqen county party committee building that night. The next morning, despite his tiring journey, he convened a meeting with the county party committee cadres and government, and, in keeping with the implementation of the guidelines of the 14th National CPC Congress, heard reports and discussed with the cadres how to utilize local assets and explore a path of development suited to the socialist market economy. Later, he visited and conveyed his greetings to officers and men of the local Chinese People's Armed Police force.

His inspection trips to Coqen, Gerze, and Gegyai helped him see, beyond their poverty and backwardness, the potential of the tremendous assets held by these counties—abundant animal products and mineral resources.

He said excitedly to comrades accompanying him: "Following the establishment of the socialist market economy, the national economy will enter a new era of rapid development, and demands for raw and semifinished materials will grow. To the resource-rich Ngari, this undoubtedly is a great opportunity for development. We must seize this opportune moment, and step up Ngari's pace of economic development."

He Visited 98 of the Prefecture's 106 Townships To Search for Local Advantages for Ngari's Development. His Footprints Made Deep Impressions on the Snowy Plateau. During a Snow Storm, He Took Off His Sweater and Gave It to an Old Tibetan Woman

After Kong Fansen arrived in Ngari, more than 40 of his subordinates had requested transfers. Ngari was suffering a critical shortage of qualified personnel, their requests made the problem even worse.

Anxieties and mountain sickness made Kong Fansen sleepless. So, he asked the secretary general of the prefectural party committee who lived close by to come to his house. There was no electricity. The two had a chat with a flashlight turned on.

Kong Fansen said: "The comrades who have requested transfers have dedicated themselves to working in Ngari for so many years. They are now requesting transfers mainly because they lack confidence in Ngari's future. I think that the key to solving the problem lies in finding out how to make a breakthrough in Ngari's development. Comrade Xiaoping has said that development is the last word. So long as we convince people with this truth, arouse the cadres' enthusiasm and give them room to use their abilities, we surely can make progress in economic development and other undertakings in Ngari.

That night, the two discussed Ngari's work, strength, and future. They were so excited that they kept talking until dawn and even had to change flashlight batteries and add more charcoal to the stove.

On 25 April, Kong Fansen chaired a joint meeting of the prefectural party committee and prefectural commissioner's office. The first task he arranged for them was to emancipate their minds, change concepts, search for Ngari's strength in development on the existing basis, and look for a bright future amid difficulties.

After the meeting, investigation groups, led separately by Kong Fansen and other leading members of the prefectural party committee and the prefectural commissioner's office, went to grass-roots units and conducted investigation and study there.

Before he took the Ngari office, Kong Fansen had already visited all relevant departments under the autonomous region and jotted down Ngari Prefecture's natural conditions and economic statistics data in his notebook. In order to familiarize himself even more with Ngari's conditions, he traveled to Ngari's counties, districts and townships one by one, including such places as Coqen,

Zanda, Burang, and Rutog. He conducted on-the-spot inspections and sought advice from local people in search of ways to lead the people in shaking off poverty and becoming well-off. During his less than two-year stay in Ngari, he travelled more than 80,000 kilometers and visited 98 of the prefecture's 106 townships, from southern border towns to northern grassland, and from Bangong Hu to Himalaya valley.

Ngari is a vast prefecture with a sparse population. With an area of 305,000 square km, twice as big as Shandong Province, it has a population of only 60,000 or so. Sometimes, Kong Fansen and his men spent a whole day on the open wilderness in a car without seeing a house or a tent. When they were hungry, they ate beef or mutton jerky; and when they were thirsty, they drank meltwater from snowy mountain slopes. The journey was hard, but Kong Fansen said humorously to his aides: "Water on the plateau is definitely not polluted, and it is the best mineral water in the world. After the region is developed, people will come to buy it with U.S. dollars." His optimistic mood was infectious to the comrades around him.

Experienced people know that, on the highland, a person can be killed by a serious cold. As it happens, Kong Fansen caught a cold when he arrived in Ngari Prefecture and coughed continuously. He took large doses of medicine in order not to delay his work. When his illness got serious and had to be treated by intravenous drip, he continued to work. In less than two months, he lost 15 kg in weight. Owing to excessive hard work, his rectal tumor was broken and blood stained his underwear. He did not want other people know of his illness, and changed his underwear and washed it clean when other people fell asleep.

Based on his extensive investigation and study, Kong Fansen had a clear picture of economic development in Ngari Prefecture. At a joint meeting of the prefectural party committee and the prefectural administrative office, Kong Fansen listed six major advantages the prefecture could use to aid its development: Livestock breeding; mineral resources; tourism potential; border trade potential; correct policy; and a small population.

"It is our bounden duty to help the masses become rich. All party members and cadres should share weal and woe with the masses. Only in this way can our party gain prestige and can our country have hope. Although Ngari is located in a remote place and economically backward, there is great potential for development. The key is to lead the masses to do practical things in a solid manner. I am confident that people of the whole prefecture can work hard together and help each other to build a civilized and rich new Ngari."

Kong Fansen's words were filled with emotion and enthusiasm and greatly touched cadres present at the meeting.

Difficulties and hardships are frightening things for weak people, but are soundless calls to the dauntless

members of the Communist Party. The true color of a hero can be seen in the vicissitudes of his life.

In early 1994, when Kong Fansen was leading people of the whole prefecture to work hard and realize the grand goal of development in Ngari, a rare and especially fierce snowstorm hit the entire Ngari highland.

Heavy snow covered farmland, ranches and villages. News of disasters in various counties reached Shiquan He amid the cold wind.

"We must take immediate action! Go to the disaster-hit areas and go among the masses to organize the fight against disasters, restore production and rebuild homes." Led by Kong Fansen, the prefectural party committee and the prefectural administrative office promptly formed more than 10 work teams and dispatched them to various disaster-hit areas. Thick snow blocked the roads, but members of those teams removed snow with spades and motor vehicles. They had only one thought on their minds: Deliver the care of the party and government to the disaster-hit areas as quickly as possible.

In Gegyai and Gerze counties, Kong Fansen personally saw the serious harm done to herdsmen by the snowstorm: Large tracts of grassland were covered by icy snow, many herds of livestock were killed by cold and hunger, and many people faced a difficult situation through lack of clothing and grain.

Kong Fansen's heart was shivering!

Kong Fansen visited victims house by house to distribute aid funding and grain. Amid wind and snow, he loudly encouraged the people: "With the party and government, even the most serious disasters cannot crush us. We can certainly help the people overcome their difficulties!"

On 26 February, Kong Fansen went to Qucang township of Yare district in Gegyai county, the hardest hit by the snowstorm. The township is 5,800 meters above the sea level and the highest pastoral area in Ngari Prefecture. Xiama Qinyao, secretary of the township party committee sadly said: "Heavy snow has been falling continuously for one week and snow on the ground is so deep as to be knee-high in some places. Eight people in the township have been hurt by the freezing weather and most animals have been killed.

Kong Fansen recorded the losses of all herdsmen in the township in his notebook with a heavy heart. He spoke to Xiama Qinyao with a firm voice: "The primary task at present is to protect the people. We should protect people first and then try to protect animals. We must calm down sentiment among the people and guide them to unite and fight against natural disaster and cut losses to the minimum.

Snow fell continuously amid the cold wind. Within a short time, people turned out to become snowmen. Cold could be felt even through a overcoat. People's faces,

hands and feet were benumbed by the cold weather. Kong Fansen noticed that an old Tibetan woman had covered a small lamb with her own overcoat in the wind and snow, while the woman herself was shivering in the cold weather which was more than 20 degrees centigrade below zero. Kong Fansen's eyes started to moisten, and he covered his face with a hand to stop himself weeping. He suddenly turned around and went to the crosscountry vehicle. He removed his woollen coat and trousers and gave them to the old woman. The old woman took the woollen clothes, still warm with Kong Fansen's body heat, with her freezing hands. Her mouth was shivering and she could not speak for a long time.

Carrying on his back the medical kit that he took with him on each trip to the countryside, Kong Fansen braved the wind and storm as he went from village to village on house calls to express sympathy and solicitude for disaster victims and to treat frostbitten herdsmen. He had gained some medical knowledge from his previous service with a military hospital. After arriving in Tibet, he devoted tremendous efforts to dealing with the shortage of doctors and medicines there. Before his trip to the countryside, he would buy several hundred yuan's worth of medicines, with which to treat peasants and herdsmen. Once, a Tibetan man who was over 70 years old was in imminent danger as his throat was clogged with thick phlegm following an attack of lung disease. Since there were no other medical apparatus around, Kong Fansen inserted the rubber tube of his stethoscope into the old man's mouth and sucked out the phlegm through the tube. He then gave the old man an injection and prescribed some medicines, and he continued to do so until the patient was out of danger.

The snow and wind grew in intensity. Chronic mountain sickness and a consistently heavy workload further weakened Kong Fansen's illness-afflicted body. Although he suffered blackouts and kept sweating profusely, he insisted on examining each frostbitten herdsman. Afterward, he studied and executed plans to help disaster-stricken herdsmen in Qucang Township relocate to other places and pastureland, obtain funds to buy cattle, and acquire grain rations and cooking oil. He worked past 0200, and only then did he lie down to rest.

It was very late at night. The wind kept howling. After having worked all day, Kong Fansen was lying inside the tent but an acute headache kept him awake. At around 0300, he felt dizzy as his heart began beating faster and he felt a choking sensation in his heart caused by shortness of breath. His experience of life on the plateau and his elementary medical knowledge gave him a presentiment that death was closing in on him...[ellipses as received]

Kong Fansen had long stopped worrying about life and death. Before he left for Tibet, he had asked somebody to write the following characters on a scroll: "I am willing to sacrifice my body and become a hero among the dead who will not return home for a thousand years." After

arriving in Tibet, he wrote the following characters as a bold pledge: "The bones of loyal officials are buried everywhere in the green mountains, and I will splatter my warm blood across the plateau." The only persons whom he worried about were his elderly mother, his wife, and his children who were far away from him. Half-conscious, he read to himself the names of his relatives...[ellipses as received] His cheeks were streaked with tears when he thought of them. He propped up his frail body, turned on his flashlight, and wrote in his notebook the following message that he intended for his colleague Xiao Liang:

Xiao Liang:

I do not know how I have got this acute headache that is keeping me awake. Fortune and misfortune could befall anyone at any time. If something happens to me, please do not tell my mother and family. Please write a letter in my name to my family each month and tell them that I am well. Please bury me wherever I die...[ellipses as received]

Kong Fansen emerged safe and sound from that night; he did not give way to death.

After two months of hard work, cadres and people of all nationalities in Ngari Prefecture conquered the snowstorm under the leadership of the prefectural party committee and administrative office. Not a single person in the prefecture was frozen or starved to death. The snowstorm inflicted heavy economic losses on Ngari Prefecture, however. Because of the snowstorm and the drought and windstorms that had struck the prefecture for several consecutive years, Kong Fansen became keenly aware that the threat of natural disaster could not be eliminated once and for all if people simply relied on disaster relief operations; and that people would be able to resist natural disaster only if disaster relief and prevention bases were built. He expressed this view at a joint meeting of the prefectural party committee and administrative office, gaining the unanimous endorsement of the participants.

In July that year, after attending the third forum on work in Tibet convened by the Central Committee in Beijing, Kong Fansen did not return to Tibet immediately. He wanted to avail himself of the opportunity to meet leading comrades of relevant central departments so that he could make suggestions to them and win their support. At that time, his family urged him to go home to see his mother, who was so sick that she could not eat, but for the sake of the more than 60,000 people of Ngari prefecture, he did not go home but only prayed for his mother in his heart.

It was very hot in Beijing during the months of July and August. Braving the heat, Kong Fansen visited one ministry and commission after another to tell them about the conditions following the natural disasters in Ngari. In the afternoon, when he could not stand the heat any more, he would seek shelter at an airconditioned

shop. When he was hungry, he would order a bowl of noodles at a vendor's stand in the vicinity. After eating at such a stand several times, the comrades accompanying him said: It is unhygienic and also too simple to eat at a vendor's stand; moreover, it is incompatible with the status of a prefectural party committee secretary. Kong Fansen said with deep feeling: "It is hard to eat lavishly when we think of the hungry masses in the disaster-stricken areas."

During the more than 20 days when he was in Beijing, Kong Fansen visited a dozen departments. At each department he visited, he showed the relevant leaders the videotape that recorded the natural disasters in Ngari. As he showed the videotape, he described to leaders the difficulties faced by the masses in the disaster-stricken area, told them of the harsh conditions in the region, and spoke about the significance of building a disaster-prevention base for Ngari. Those who listened were moved by his sincerity.

The disasters in Ngari attracted the attention of the relevant leading comrades, who broke the rule in providing a large sum of relief and construction funds for Ngari. After the funds were appropriated, it was a long time before Kong Fansen calmed down. He knew that since the peaceful liberation of Tibet, the financial subsidies for Tibet provided by the central government, as well as its investment in capital construction in the region, had exceeded 20 billion yuan. At the third forum on work in Tibet, the central government again decided to invest 2.38 billion yuan to aid Tibet in the form of 62 construction projects. He felt his burden becoming heavier than before: The central authorities had shown great concern and given special support for Tibet, and if he failed to do his work well, he would not be worthy of the party and the people of Tibet.

After returning to Ngari, Kong Fansen promptly told cadres of the prefectural party committee and administrative office of the guidelines of the third central forum on work in Tibet and those of the sixth plenary session of the fourth regional party committee. He said: "What shall we do when the central authorities are concerned about Tibet and when the people of the whole country support Tibet?" He and the leading bodies of the prefectural party committee and administrative office proposed that "with a new mental outlook, a new mode of thinking, new ideas for work, and a new attitude for action, they should seize the opportunity, speed up development, and strive to bring about a new work situation in Ngari."

Guided by Kong Fansen, the prefectural party committee, and the leading body of the prefectural administrative office, Ngari's economy grew rapidly. In 1994, the prefecture's gross product exceeded 108 million yuan, an increase of 37.5 percent over 1993; its income surpassed 101 million yuan, up 6.87 percent on the previous year. A magnificent blueprint for invigorating Ngari's economy was being realized on this snowy plateau:

—The 2,000-kw Langjiu Geothermal Power Plant was again generating power. The nights on the plateau are no longer dark as the brilliant night lights and the stars in the sky add radiance and beauty to each other;

—On the empty wasteland factories such as a goat-hair processing plant, a fish-bone processing plant, a borax processing plant, and a cement plant, have been built one after another. The sound of engines has broken the quietness of thousands of years;

—After the opening of the points of entry at Puland and Shenbuqi and the completion of the Qianglashankou highway leading to the border, the Ngari plateau is now opening itself still wider to the outside world... [ellipses as received]

Three Tibetan Orphans and 900 Milliliters of Blood, His Dedication To the People Are Fervent Feelings Thicker Than Blood and Profound, Deep and Selfless Love.

A certificate of blood donation issued by the blood bank at the General Hospital of the Tibet Military District has the following words:

Comrade Kong Fansen came to this blood bank three times in 1993 and voluntarily donated 900 milliliters of blood. He was paid 900 yuan as a nutrition fee for blood donors according to the regulations of this hospital.

Behind the blood donation certificate was an extremely sad story.

In 1992, there was an in Naizhokunggar and other counties of Lhasa city. Kong Fansen was then a deputy mayor in Lhasa city. He immediately went to the disaster-hit areas. Beside a heap of rubble in Yangrigang township, which was hit by the earthquake, three Tibetan nationality orphans by the names of Qu Ni, Qu Yin, and Gong Sang cried and sought his aid. Kong Fansen consoled them and said: The party is your dear one. You will certainly have food to eat, clothes to wear and a house to live in, and you will even be sent to school. He told local cadres to properly provide placement for the three children. Kong Fansen was busy in quake relief work, but he always thought about the three children. After a short period, Kong Fansen revisited Yangrigang township and decided to personally assume the responsibility of raising the three orphans.

People can imagine the hardship and difficulties facing a person who was alone in a place not his permanent home and had to raise children in addition to work. After working a whole day, Kong Fansen returned to his home and had to prepare food for the three children and teach them to read in the evening. At night, he slept with the three children in the same bed. At that time, Qu Ni was 12 years old, Qu Yin was seven years old and Gong Sang was only five years old. The children often urinated on the bed, and Kong Fansen did not mind taking the trouble to change and wash the sheets. On festivals and holidays, so long as he had time, he always took the

children to stores or parks. He bought clothes and things for the children and played with them as though they were his own children.

One day, in the early hours of the morning, Qu Yin suffered a severe stomach ache and kept crying out. Kong Fansen was woken by the sound. He got up to find medicine for Qu Yin, but Qu Yin's condition did not improve. Kong Fansen had to take the boy to a hospital and he was there for a whole night. He returned home the next morning extremely tired.

Having noticed that Kong Fansen's burden was too heavy in raising three children, Lhasa Mayor Luosang Toinzhub adopted Qu Ni.

Due to a change in living conditions, Qu Yin and Gong Sang started to become picky eaters. Kong Fansen noticed this small change and told Xiao Cui, a staff member at his office: "Please bring those children to Yangrigang township to take a look at the situation there."

Not knowing the reason, Xiao Cui asked: "There parents were not there. What things will they see?"

"Let the children to revisit their homeland and see the mountains and waters of their native place. Also let them spend a few days there with the local people." After saying this, Kong Fansen called Qu Yin and Gong Sang to his side. He touched their heads and gave them earnest advice: "Remember, you should never forget your homeland. When you grow up you should properly build up your own homeland."

The brother and sister returned to their native place to live there for five days. They seemed to be much matured on their return.

Despite the fact Kong Fansen's financial burden was relatively heavy, when he went to the countryside he always distributed money to Tibetan people who were poor and had living problems. Quite often he would spend most of his money in the first half of the month and sometimes did not have enough money to pay for meals. After adopting the orphans, his financial condition was even tighter than before. When he had been alone, he had been able to live on a tight budget with the amount of money he had; but now he did not want to let the children feel wronged.

One spring day in 1993, Kong Fansen quietly went to the blood bank of the Tibet Military District General Hospital to donate blood. When the nurses saw the gray hair on the temples, they politely told him: "Because of your advanced age, it would not be appropriate for you to donate blood."

Kong Fansen quickly pleaded: "I have many children at home; my family burden is heavy. I need money badly. Please help me."

Seeing Kong Fansen's sincerity, the nurses granted his request.

Dark red blood trickled into the needle from Kong Fansen's body. This was the blood of a CPC member, flowing from the blood vessels of a leading cadre who had toiled night and day.

Kong Fansen led a very frugal life. His regular food was plain rice and hot pickled mustard tubers. When he was busy, he usually ate steamed buns dunked in boiled water or instant noodles. Many of his undergarments were covered with patches; he was even unwilling to buy soap. Every time he traveled between Lhasa and Ngari, he would always buy some cheap daily necessities to save some money as a result of regional price differentials. Although he was frugal and sparing with himself, he was generous toward other people and Tibetan compatriots. During his stints in Tibet that lasted nearly 10 years, he sent virtually no money to his family as he spent the bulk of the savings from his wages on the Tibetan people. For this reason, he expressed compunction toward his family on several occasions. To assist Tibetan compatriots in distress, however, he was compelled to give his family short shrift.

Kong Fansen was poor and rich at the same time; he possessed the most beautiful soul, the richest emotions, and the most noble mind in the world.

"The sun and the moon have the same mother; her name is Light. The Han and Tibetan nationalities have the same mother; her name is China"—these lines come from a favorite song of Kong Fansen's. On several occasions he told people: Every time I see a Tibetan old man or woman, I think of my parents. Every time I see Tibetan children, I feel like seeing my own children. When he was a vice mayor in Lhasa, the city had 56 nursing homes and welfare institutions, of which he visited 48 to convey the solicitude and tender care of the party and government to the lonely elderly people and children there.

At a nursing home in Sangda township, Doilungdeqen county in Lhasa city, an old man named Qiongzong has until this day retained a pair of cotton shoes that Kong Fansen gave him. The old man would never forget that morning in the depth of winter when Vice Mayor Kong Fansen braved the cold wind and arrived at the nursing home. When he saw that the old man's shoes were worn-out and his feet were red and swollen from the cold, his heart ached and he held the old man's feet in his chest. The following day, he asked someone to send a pair of new cotton shoes to the old man. Shortly thereafter, he sent a transistor radio to the nursing home's residents. Tears welled up in the eyes of the old folks when they received the radio which Kong Fansen had bought with his own money. An elderly person named Wang Mu told Kong Fansen emotionally: "The new society is good. Before the liberation, we could not even get to see Bengbudla (officials) like you." As Kong Fansen was leaving the nursing home, the elderly people voluntarily lined up to see him off; they were reluctant to see him go.

Once, Kong Fansen visited the lonely residents of a nursing home in Alang township, Lhunzhub county in Lhasa city. When he entered a room, he saw a Tibetan old man whose feet were festering and inflamed from scalding. He opened the medical kit he had brought with him, and washed, applied medicine to, and bandaged the old man's feet. He also took off his gray jacket and draped it over the old man's shoulders. Before his departure, he pulled more than 30 yuan worth of bills—the only cash he had on him—from his pocket and stuffed them into the old man's hand. The old man was moved to tears and kept saying: "Living Buddha, living Buddha!"

One day during his tour in Ngari, Kong Fansen inspected work in Menshi district, Gar county. He saw several adobe houses on a grass-covered plot, for which he headed when he heard that two lonely elderly people were living there. He pushed open the door, and by the light of the fireplace, he saw an old Tibetan woman leaning weakly against the wall. "Auntie, the party has sent me over to visit you," he said as he felt a bag lying on the floor with his hand, and found that there was not much roasted barley flour left in it. He also shook the butter container and found that it was empty. The monthly allowance that the government had given the old woman had been used up. Kong Fansen handed 200 yuan to a comrade accompanying him and said: "Hurry up and buy some tea leaves, table salt, butter, and rice for the old woman." As he spoke, he turned around and walked into the house of a lonely old man. He found the old man lying ill on a sheepskin. With a heavy heart, Kong Fansen told the cadres in the prefecture: "Get a doctor right away so that he can see the old man. Also, buy a mattress, and make sure that it is thick and warm." Thereafter, whenever somebody was going to Gar county, Kong Fansen would ask that person to bring some money, food, and clothing to the two lonely, elderly people.

Nobody could tell how many such deeds Kong Fansen performed. Some said his deeds are like the Bangjin [6721 6930] flowers that cover the grasslands. Perhaps to some people these deeds are too commonplace and unexceptional. However, they are like the surging water of the mighty Yarlung Zangbo River, which is but a small stream at its source in the highlands of Ngari—it such stories of ordinary and trivial deeds that mold the lofty and mighty character and morals of a Communist Party member.

"The coldness of the icy mountains make me more passionate, and I dedicate my heart and soul to the snow peaks." Like the poem he wrote, Kong Fansen gave his fervent heart to the Tibet plateau and the party's cause. His love for fellow Tibetan countrymen and people of the motherland is as pure, deep, and generous as the blue sky above the plateau. He always strove to practice a favorite dictum of his: "The greatest love one could have is the love for others, and the greatest love a Communist Party member could have is his love for the people."

A regrettable accident occurred.

To our great sorrow, Kong Fansen died in the course of performing his duty at the age of 50—he met with a traffic accident while on his way to inspect border trade in Tacheng, Xinjiang, on 29 November 1994. When the bad news spread to Ngari, Lhasa, and then to Shandong, people could not believe their ears.

"Before he could conquer, he was dead, and heroes have wept on their coats ever since."

People were heartbroken when they found two things left by Kong Fansen while making arrangements for his funeral: One was his supply of cash—just eight yuan 60 fen, the other was his "last words"—12 suggestions on the development of Ngari's economy, written by him four days before his death.

Those were his legacy, and the lofty spirit of a Communist Party member!

The snow peaks grieved, and the rivers wept.

In front of Kong Fansen's portrait, people choked with sobs and tears rained down their cheeks. Numerous hadas were heaped on his coffin like white snow peaks.

In Ngari, Lhasa, and Liucheng, thousands upon thousands of people were calling the same name—Kong Fansen.

"Bola, bola (grandpa)! Do not leave us, we miss you!" the two Tibetan orphans adopted by Kong Fansen cried their eyes out and their voices hoarse.

"Secretary Kong, our good secretary, take my life instead!" Kong Fansen's close aide knelt on the floor and dug his hands deep into the loess open grave as he wailed with sorrow.

An old Tibetan man prostrated himself before Kong Fansen's coffin, and cried loudly: "Secretary Kong, do not go away! Your kindness to Ngari is as great as the mountain, we cannot do without you!"

An artist in Ngari knelt humbly before his portrait and drew Kong Fansen as he cried. For one night he drew and cried. When the drawing was completed, he broke his painting brush into two...[ellipses as received]

"Not soiled by a speck of dust and attaining high official ranks without money in the bank, fame, wealth, and personal safety were to him as light as the river water of Shiquan. His passion for the snowy region drew him twice away from his home town, and ethnic unity was to him as weighty as the mountains under those ridges."

Low-hanging elegiac couplets told of the people's great pain and their untold sad memories and reverence for Kong Fansen.

Kong Fansen, the good son of the party and people, like his many predecessors who gave their youth, blood, and life to the Tibet Plateau, had blended his great stature into this majestic and mysterious land, and erected an everlasting monument in the hearts of many people.

QIUSHI Urges New Anticorruption Effort

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[By Wei Jianxing (1414 0256 5887): "Do a Thorough Job, Firmly Grasp Policy Implementation, and Strive for New Success in Struggle Against Corruption"]

[FBIS Translated Text] Editor's note: This is the text, abridged and revised by the author for publication here, of the author's report delivered before the Fifth Plenum of the Central Commission for Discipline Inspection. [end editor's note]

I.

In 1994, the party center made a number of arrangements and plans for the anticorruption work. At the Fourth Plenary Session of the 14th CPC Central Committee, Comrade Jiang Zemin, from the high plane of strengthening party building, further highlighted the guidelines and basic principles for strengthening the building of party conduct and administrative conduct and for combating corruption in an in-depth and persistent way. The center's decisions and arrangements have forcefully pushed forward the anticorruption campaign. The party committees and governments at all levels, especially the chief leading comrades of party committees and governments, have shown even greater conscientiousness in implementing the principle of "doing two types of work simultaneously with equal strength," thus consolidating leadership. The anticorruption campaign has maintained a healthy momentum of development, the anticorruption tasks set by the center have been carried out with varied degrees of success, and some localities and departments have shown more evident results in some areas. This has been catalytic to maintaining the reform, development, and stability and can be seen in the following developments.

Leading cadres are somewhat more aware of the need to set bounds on their behavior and practice honesty and self-discipline in accordance with the two sets of "five regulations" promulgated by the party center in 1993 and 1994. The party organizations in various regions and departments have, as a widespread practice, convened democratic meetings on special topics in accordance with the requirements spelt out in the "Notice on Properly Convening Special-Topic Democratic Meetings With Regard to the Stipulations on the Honesty and Self-Discipline of Leading Cadres" issued by the Central Commission for Discipline Inspection [CCDI] and the Central Organization Department. Through those democratic meetings, leading cadres discovered and redressed their own problems, obtained a better understanding of policy parameters and the code of behavior, and generally received reeducation in party conduct and government conduct. Many localities and departments have introduced and improved a system for monitoring the honesty of leading cadres in light of the problems discovered through self-examination against the two sets of "five regulations."

Much progress has been made in the investigation and handling of cases. Party committees and governments at all levels have adopted effective measures and strengthened leadership over the work on case handling. The law-enforcing and discipline-enforcing departments have worked closely with each other and concentrated their energies on cracking a batch of large and important cases. Reporting by the masses has maintained a good momentum and the total amount of letters and visits received has increased. Furthermore, there have been more reports of problems with leading cadres, problems of embezzlement and bribe-taking, problems of bending the law for personal benefit, and the number of informers disclosing their real names has risen. Many of those handling the cases have been impartial in performing their duties. They have adhered to the principles, eliminated all kinds of interference and obstruction, and caused significant increases in the number of cases filed and wound up, bringing major progress to the handling of large and important cases. With some important, widely known cases, many localities have heightened the profile of those cases as deterrents by way of internal circular or publicizing through the news media.

Achievements, to varying degrees, have been made in redressing department-specific and trade-specific unhealthy tendencies. Express orders have been issued for the scrapping of a batch of unreasonable fees. Sight-seeing abroad (or outside the mainland) at public expense has basically been brought under control. The problem of party and government organs' uncompensated possession of enterprise property has been preliminarily rectified and the property involved returned. Some unhealthy tendencies of which the masses have been especially critical have been curtailed.

Through their practice, localities and departments have discovered some effective approaches and summed up their experience. These approaches mainly include the following:

1. The leadership pattern whereby the whole party is mobilized, both party organizations and governments take responsibility, and chief leaders at all levels attend to it personally has begun to take shape. The party and government leaders of some localities and departments clearly proposed: "Fighting against corruption should start from me and from the leadership group." In conformity with the center's requirements, the party committees and governments at all levels conscientiously studied and made plans for the anticorruption work in their own regions and departments. The party committees and governments of many localities have established a leading cadres' responsibility system for carrying out the anticorruption work and coordinated among various functional departments so that they could form a combined force. Such a synergistic leadership pattern contributes to the process of the anticorruption work and helps discipline inspection and supervision organs function better as the organizers, coordinators, supervisors, and inspectors of the anticorruption campaign.

2. The integration of supervision by specialized organs and supervision by the masses has been further strengthened. Some regions and departments have integrated the supervision by discipline inspection, judicial, and supervision organs with the supervision by the masses, the media, democratic parties, and people with no party affiliation. They have attached importance to the active role of special supervisors, supervisors of party and government conduct, and people's informers [xin xi yuan 0207 1873 0765] in the campaign for combating corruption and encouraging clean administration. They have made a point of mobilizing party members, cadres, and ordinary people to take part in the building of party and government conduct and the anticorruption campaign, thus promoting the in-depth progress of the anticorruption work. For example, in terms of honesty and self-discipline, many units disclosed to the masses some information about the self-inspection and self-redressing by the leading cadres at the democratic meetings, so that the masses' comments and responses could be heard. On the front of redressing trade-specific unhealthy practices, responsibility was consistently with the competent departments of specific trades and the redressing work was put under mass supervision. For instance, some localities introduced the method of "displaying electricity charges on the wall"; some localities issued "fee supervision cards" to peasants; and some localities and departments issued fee-charging permits and introduced the system of annual review of charge permits to standardize the behavior of collecting charges, mobilize mass supervision, and put an end to the arbitrary imposition of charges. Many localities and departments organized people's congress representatives, members of Chinese People's Political Consultative Conference committees, and other people from various walks of life to comment on the practices of some departments and trades, which has catalyzed the redressing work. Some regions and trades conducted activities under the name of "speaking about right and wrong," which has helped enhance the awareness of professional ethics of the broad ranks of workers and raised their sense of responsibility in monitoring and resisting unhealthy practices.

3. It is necessary not only to conduct the anticorruption campaign as routine work but also to concentrate simultaneously and forcefully at all levels on some selected outstanding problems, depending on the state and characteristics of the anticorruption campaign in a given period, of which the masses are highly critical, and where positive results can be expected. This is to boost the scale and momentum of the anticorruption campaign. For example, in June last year, after the Central Political and Legal Commission, the CCDI, and the Supervision Department held their respective national teleconferences, all regions and departments increased the strength of case handling and concentrated their energies to achieve breakthroughs on a batch of big cases. Another example is that inspection has been strengthened on the problem of some leading cadres exceeding the standards and quotas they were allowed in the allocation and use of

cars. Besides the supervision visits by the CCDI Standing Committee members to some provinces (regions and municipalities), the CCDI also sent special inspection teams to the central state organs and some provinces (regions and municipalities). They first inspected the allocation of cars for chief leaders one by one and urged whoever had violated the stipulations to remedy the situation. This approach, combining the routine anticorruption work with emphasis on an outstanding problem when necessary, is conducive to furthering the anticorruption campaign in greater depth.

4. Treating both the root cause and the symptoms and strengthening institutional building. The localities and departments have not only strived to make a good job of various tasks in the anticorruption campaign but have also made an effort to reduce or eliminate some deep problems which lead to negative and corrupt phenomena by means of establishing regulations and regimes. Through the redressing of unhealthy tendencies and the handling of cases, many localities have paid special attention to any weak links in management or loopholes in the system and, with clear objectives, established or improved rules and regulations. Some localities and departments, while promulgating economic reform measures and administrative measures, have also formulated some supervisory and preventive measures and regimes to prevent the birth of negative and corrupt phenomena. They have quite effectively incorporated the anticorruption work into the work on the reform and opening up, and the establishment of socialist market economic system. Many localities and departments have also strengthened supervision and inspection on the implementation of regimes and fulfillment of tasks and have sternly handled violations of the regimes. Those approaches embody the reassuring function of institutional building in the anticorruption campaign.

While affirming the achievements of 1994 in a truth-seeking spirit, we should also be able to see the fact that there is still quite a gap between the present reality of the anticorruption work and the requirements of the party and the people; some leading comrades have failed to conduct self-inspection and self-redressing in conformity with the stipulations on honesty and self-discipline; the special-topic democratic meetings in some units are not serious enough; some leading cadres, after self-criticism on violations of regulations, do not remedy them; some units are not firm in handling cases and some even hold up the cases without processing or are not strict enough in law enforcement; local protectionism, departmental protectionism, and interference from influential people pleading for mercy for well-connected offenders have been serious; and that informers and officers handling cases are retaliated against. Those phenomena are still occurring from time to time. Some unhealthy practices, such as the arbitrary imposition of fees, have reappeared after being redressed in some departments and have even spread. Some localities have failed to deliver supervision and inspection on the work carried out according to the planning by the central authorities or to make adequate efforts

in the performance of their role. Some related policies, legislation, and implementation procedures have been quite behind in promulgation and failed to keep up with the work plans. This has also affected the progress to a certain extent. While the broad masses do affirm the progress of anticorruption work, they are not satisfied with it. The anticorruption tasks are still very onerous.

Practice has shown that in localities and departments where the anticorruption work has not been carried out with enough strength and the results have not been significant, the main reason is often that the chief leading cadres of the party and administrative organs there lack a correct understanding of the combat against corruption. These leading comrades lack a correct understanding of the fact that combating corruption is a big issue concerning the survival of the party and the success of the reform, opening up, and economic construction and how important it is to handle well the relationship between the reform, development, and stability. They set combating corruption against economic construction and adopt a passive attitude of "we have to combat it but we must not truly combat it and we must not combat it to any great extent." They fail to steadfastly implement the principle of "doing two types of work simultaneously with equal strength." Therefore, to raise leading cadres' awareness of the importance and urgency of the anticorruption work remains a key issue in conducting the anticorruption campaign in greater depth.

II.

The year 1995 is the final year of the Eighth Five-Year Plan. It is an important year for: Implementing the spirit of the Fourth Plenary Session of the 14th CPC Central Committee and the central economic work conference in great depth; further strengthening party building; pushing ahead with the reform and opening up; and for realizing sustained, fast, and healthy development of the national economy. Party building and the reform and development are all facing a good situation and good opportunities. They have also set new, higher demands on the struggle against corruption and on the effort to strengthen the building of party and government conduct.

The general requirements on the anticorruption work in 1995, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, are to: Comprehensively implement the spirit of the 14th National People's Congress, the Third and Fourth Plenary Sessions of the 14th CPC Central Committee, and the central economic work conference; adhere to the guidelines and basic principles for the operation against corruption set by the party center as well as the overall picture of the three pieces of work as envisaged by the party center; implement the new requirements raised by the center and the tasks assigned since the second plenum of the CCDI; concentrate on carrying out the anticorruption campaign in greater depth; gradually set up and improve the supervisory and constraining mechanism within the

party; achieve new results in the campaign; and to serve the efforts to safeguard the overall interests of the whole party and the whole nation, i.e., "to seize the opportunity, deepen the reform, expand the opening up, promote development, and maintain stability."

In view of those requirements, the anticorruption tasks for 1995 are as follows:

I. Honesty and self-discipline of leading cadres.

This year, deepening is the key word in terms of the requirements on the honesty and self-discipline of leading cadres.

1. It is necessary to continue to implement the two sets of "five regulations" and add to them the following supplementary provisions. In terms of housing, the following stipulation should be added: Participating in fundraising for building houses in violation of regulations is forbidden and building private houses in violation of regulations is not allowed. In terms of using cars, the following should be added: Using military or police vehicle registration plates or foreign vehicle registration plates in violation of regulations is forbidden; and using public money and vehicles which belong to the units for driving lessons without authorization is forbidden. In terms of the ban on spending public money on expensive entertainment, the following should be added: Attending entertainment activities in such venues as commercial cabarets, ballrooms, and nightclubs at public expense is forbidden. In terms of attending banquets, the following should be added: In contacts with domestic units and individuals, the acceptance of banquets which may affect the impartial execution of public duties is forbidden. All regions and departments should make readily operational, clear, and specific stipulations in light of their own realities and implement them strictly. All regions and departments can also proceed from their realities and make some additional stipulations on the honesty and self-discipline of leading cadres at and above the county (or provincial section) level.

2. It is necessary to continue to focus on the leading cadres in party and government organs at and above the county (or provincial section) level. At the democratic meetings for honesty and self-discipline, leading cadres at and above the county (or provincial section) level should examine themselves against the two sets of "five regulations" as well as related additional stipulations, one by one, and find out if they measure up to them, if they have redressed or looked into the problems discovered through self-examination, or if they have done more things against the stipulations. They should also check to see if the regions and units under their jurisdiction have been adhering to the principle of "doing two types of work simultaneously with equal strength," whether or not they have conscientiously implemented all the assignments associated with the anticorruption campaign, and whether or not they have recommended solutions to their existing problems.

The subsection-level cadres in the organs directly under county (or county-level city) governments, leading cadres of townships and towns, and persons in charge of grass-roots stations and agencies are in the forefront of the reform and construction and are in direct contact with the masses. How honest and diligent they are in performing official duties has a very important impact on the relationships between the party and the masses and between cadres and the masses. For this reason, this year, they are required to conscientiously conduct special-topic democratic meetings well to exercise self-discipline and self-examination in accordance with the stipulations on the honesty and self-discipline of leading cadres at and above the level of county (or provincial section), as well as the applicable supplementary provisions made in light of local conditions.

3. The leading cadres in state-owned enterprises are entrusted by the state to take care of the operation and management of the state assets in their enterprises. They shoulder the weighty responsibility of adhering to the socialist orientation of enterprise development, ensuring the value conservation of state assets, and achieving appreciation of state assets. Their honesty and self-discipline are of vital importance. Therefore, on the basis of the principle of helping state-owned enterprises deepen their reforms, change their operational mechanisms, raise their economic efficiency, and safeguard stability and unity, stipulations should be made on the honesty and self-discipline of leading cadres of state-owned enterprises and they should be required to examine their own behavior at special-topic democratic meetings against the following rules: No retaining of rebates, commissions, and gift money arising from operational and managerial activities as personal gain; no collection of salaries and bonuses from concurrent posts in violation of stipulations; no doing business and running enterprises privately in a personal capacity; no using official powers to provide any kind of convenience for relatives and friends in the business and entrepreneurial world; no occupying extra housing against regulations; no purchasing or construction of residences beyond the standard allowed at public expense; no purchasing of cars while the enterprise is suffering from losses caused by nonpolicy factors and is in arrears on the payment of workers' wages; and no purchasing of deluxe imported cars. The honesty and self-discipline of leading cadres in institutions should be monitored with reference to the regulations regarding the honesty and self-discipline of leading cadres of party and government organs or state-owned enterprises.

4. Gradually establishing and improving the supervisory and constraining mechanism for the honesty and diligence of leading cadres in performing their official duties. The following regimes should be introduced this year: A system for declaring incomes by leading cadres of party and government organs at and above the county (or provincial section) level and the system for the registration of gifts received by the staff of party and state organs in their domestic public activities. These

two systems apply to the leading cadres of state enterprises and institutions. It is also necessary to introduce a system for reporting the expenses incurred in entertaining visitors by state-owned enterprises to the workers' representative conference. For these three systems, the CCDI and the Supervision Department will, in conjunction with other relevant departments, draft a specific implementation procedure. Many localities and departments have formulated and implemented some official honesty monitoring systems. We should encourage them to carry out experiments actively and sum up their experience for gradual popularization.

II. Investigating and handling cases.

Investigating and handling cases and cracking down on corrupt elements is an important aspect of the anticorruption campaign. It is also a hot topic among the masses. It is necessary to continue to focus on cases of law and discipline violation among party and government leadership organs, administrative and law-enforcing organs, judicial organs, and economic administration departments and also to focus on the cases involving leading cadres at and above the county (or provincial section) level. In the meantime, we should also step up efforts in investigating and handling cases where there has been a high incidence and big and important cases are quite concentrated, so that new breakthroughs can be achieved in the handling of cases.

It is necessary to continue to strengthen the leadership over the handling of cases. Party committees and governments at various levels should all pay close attention to the investigation and handling of big and important cases. Chief leaders should listen to reports, help eliminate obstacles, and ensure the normal progress of casework. It is necessary to strengthen the casework forces and adequately staff the facilities at the forefront; further strengthen the coordination and cooperation between the discipline inspection and supervision organs and judicial organs, administrative and law-enforcing organs, and organizational and personnel departments; strengthen the processing and hearing of cases; and improve the efficiency and quality of case-handling. When encountering big obstacles in handling sticky cases, the subordinate organs should refer them to the higher authorities promptly so that the latter can directly look into them or help deal with them. Superior organs should send representatives to participate in the handling of cases in localities and departments which have shown a lack of effectiveness in handling major cases. It is important to treat everybody equal in the face of law and discipline and enforce the law and discipline strictly. It is necessary to hold sentencing rallies with good timing to deter law offenders and criminals and to educate and encourage the public.

Actively investigating and handling cases by taking the initiative. Efforts should be made to look for new clues to major cases in departments, trades, key posts, and state-owned enterprises suffering losses caused by nonpolicy

factors which have a high incidence of problems, through such means as supervision of law enforcement, supervision of effectiveness, item-by-item improvement, and item-by-item auditing. In the process of handling cases, it is necessary to pay attention to those that lead to others. The communication and cooperation between law and discipline enforcing departments should be strengthened to form a joint force in handling cases. It is necessary to continue to strengthen the processing of petition letters and reports and take practical and effective measures to protect informants and reward those who have rendered a service.

Summing up the experience in handling cases. It is necessary to analyze the characteristics of law and discipline violation under the new circumstances, constantly sum up the good practices in the handling of cases, formulate effective countermeasures, and speed up the process of investigating and winding up cases. In some localities and departments where cases are many and big, it is necessary to study the crime methods employed by the offenders by analyzing typical cases; identifying any weak links in operational management, supervisory mechanism, the style of leadership, and ideological and political work; recommending preventive and monitoring measures with clear objectives; and reducing and containing the occurrence of big and important cases.

3. Redressing unhealthy practices in specific departments and trades.

The party committees and governments at various levels must further strengthen leadership and closely cooperate among one another in all dimensions. The departments in charge of various trades should take real responsibility, define key objectives, recommend improvement measures, and carry on with the redressing of unhealthy tendencies and rectification of discipline. Strong measures should be taken and strenuous efforts made in carrying out the following tasks which have been assigned: Putting an end to the arbitrary imposition of fees, sightseeing abroad (or outside the Chinese mainland) at public expense, and uncompensated possession of enterprise funds and materials; the disconnection of party and government organs from the economic entities previously run by them; and the separation between the receipts of, and payments from, administrative fees revenue as well as penalty and confiscation income.

This year, on a nationwide scale, it is necessary to concentrate on redressing the three unhealthy tendencies, namely: One, arbitrary setting up of tollgates, arbitrary imposition of tolls, and arbitrary imposition of fines on highways; two, arbitrary imposition of fees in middle and primary schools; and three, arbitrary apportioning of expenses and arbitrary imposition of fees on peasants. Some departments and trades should continue to keep a good check on any outstanding unhealthy tendencies in themselves and take substantial steps to solve problems of which the masses are highly critical.

While making a good job of the abovementioned work, localities and departments can also proceed from their

own realities and list the following items on their specialized improvement agendas: The clearing up of "small treasuries," i.e., the income embezzled or retained from the state or the unit and the secretly deposited funds not on the balance sheet of the unit's accounting department; clearing up the problem of installing residential telephone lines at public expense by cadres of party and government organs; and the solving of other outstanding problems of which the public are particularly critical.

III.

Safeguarding democratic centralism and enforcing political discipline is of vital importance to strengthening party building. Discipline inspection and supervision organs should: Continue with the comprehensive implementation of the spirit of the Fourth Plenary Session of the 14th CPC Central Committee; fully perform their functions of supervising and inspecting the implementation of the party's line, principle, policy, and resolution; fully perform their functions of supervising and inspecting the execution of the state laws, regulations, decisions, and orders; and ensure the unimpeded execution of central decrees.

On the front of safeguarding democratic centralism and enforcing political discipline, the main objects of supervision and inspection are the party and government leadership organs at various levels in counties or higher administrative divisions and their leading cadres. The following problems should be investigated and processed with special attention: The behavior of failing to execute orders or obey prohibitions and harming the overall interests for the sake of the localities, departments, and small groups; the behavior of trickery and making false reports to obtain honors and interests; the behavior of selecting and appointing cadres by favoritism, buttering up to people in power, going through the back door, asking for official titles when not qualified and one person or a minority deciding the appointment or displacement of leading cadres; the behavior of acting arbitrarily, suppressing democracy, retaliating, infringing on the democratic rights of party members and the masses; and the behavior of serious bureaucracy, neglect of duty and dereliction of duty, and causing major economic losses and personal injuries. Any behavior of opposing the four cardinal principles and practicing bourgeois liberalization or any behavior of resisting and opposing the reform and opening up, once discovered, must be sternly handled immediately.

This year, all party and government leading cadres at various levels must conscientiously examine their observance and enforcement of democratic centralism and political discipline at the party's democratic meetings. Party organizations at various levels must regard how the leading cadres have adhered to democratic centralism and observed political discipline as an important aspect of cadre assessment.

This year, the discipline inspection and supervision organs at all levels should increase the strength of supervision on law enforcement strictly in the context of party

building and the main issues concerning reform and development. It is necessary to focus on supervising and inspecting how the party and government leadership organs and leading cadres at various levels have observed political discipline and how the measures and tasks prescribed by the central economic work conference have been implemented. These measures and tasks include: Strengthening macroregulation and control and checking inflation; deepening the reform of state-owned enterprises, pushing ahead with various supporting reforms, and strengthening and improving the macro-management system, increasing the input into agriculture and ensuring the supply of agricultural and sideline products; and increasing the strength of structural adjustments and improving the overall quality and efficiency of the economy. The supervision of law enforcement should serve to promote implementation, with a view to maintaining the authority of the center and ensuring the unimpeded execution of central decrees.

IV.

In the new year, party committees at all levels should continue to strengthen the building of party and government conduct and carry out the anticorruption campaign in greater depth. The tasks are rather arduous, so they must deepen their work, make strenuous efforts in implementation, and pay special attention to the following foundation work:

To strengthen ideological and political building. This is to build a foundation for pushing ahead with the great new project of party building in the new era and is a fundamental measure for combating corruption and strengthening the building of party and government conduct. Comrade Jiang Zemin recently pointed out: "The mighty historical torrent of reform and opening up has not only brought forth a large new generation of people taking part in the building of a socialist cause with Chinese characteristics but also may devastate [hui diao 3014 2220] some feeble-minded people." Since the beginning of the reform and opening up, the vast majority of leading cadres have stood up to the test but some have failed the test of holding political power and succumbed to money, material, and sex. The grim reality indicates that the resistance of leading cadres to corruption and degeneration is a very important and serious political issue. Party committees at all levels must organize the broad ranks of party members and cadres to study Marxism-Leninism-Mao Zedong Thought and, in particular, to study in greater depth Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party constitution, in accordance with the requirements contained in the decision by the Fourth Plenary Session of the 14th CPC Central Committee, in conjunction with the education in the communist ideal and conviction, the legal system, and party and government conduct. It is also necessary to: Guide cadres to adopt a correct outlook on the world and on life; adhere to the aim of serving the people; promote the party's fine traditions and work style; practice plain living and hard struggle; pioneer our cause

with a resilient spirit; oppose money worship, hedonism, and extreme individualism; resist the bad habits of extravagance, wastefulness, and degeneration; and prevent the corrosive influence of decadent ideas and culture. Leading cadres at various levels, especially high-ranking cadres, should set an example in being strict with themselves and performing their official duties honestly and diligently.

To increase the strength of supervising and restricting powers. First, it is necessary to further formulate standards of supervision; second, to establish and improve the system of preventing power abuses, such as separation and restriction of powers, exchange and rotational transfer of cadres, publicizing of official affairs, democratic supervision, and mass supervision; third, to introduce a set of methods for discovering and unearthing problems immediately, so that information is freely conveyed and supervision touches all aspects; and fourth, to guarantee supervision with discipline and promptly handle any violation of discipline. It is necessary to accelerate the legislation in this area and step up the efforts to draft such basic laws and regulations as the "CPC Internal Supervision Regulations," "CPC Disciplinary Action Regulations," and "PRC Law on Administrative Supervision."

To apply the reform spirit to strengthening the building of discipline inspection and supervision organs themselves. The new situation has set higher demands on discipline inspection and supervision. Discipline inspection and supervision organs at all levels should continue to study conscientiously; further improve their political and theoretical understanding; learn to understand and grasp the anticorruption struggle from the high plane of submitting to the overall work of the whole party, strengthening party building, and safeguarding political stability; and, in the meantime, acquire the expertise of discipline inspection and supervision under the new circumstances and constantly improve their professionalism. The broad ranks of discipline inspection and supervision cadres should: Continue to strengthen the cultivation of their party spirit and carry forward the fine work style of selfless dedication, plain living, and hard struggle; emancipate the minds, seek truth from facts, adhere to the principles, and dare to tackle tough problems; be faithful in the discharge of their duties, work diligently, and explore new grounds in an enterprising spirit; and should look into reality and rely on the masses in their work. The leadership groups at various levels should implement the principle of democratic centralism substantially and adhere to the system of combining collective leadership with individual responsibility. It is necessary to man the leadership groups at various levels in accordance with the principle of "four transformations" and the principle of ability plus political integrity; step up the effort to train and elevate outstanding young cadres; strengthen the building of grass-roots party organizations; do the ideological and political work well; and build a contingent of discipline inspection and supervision cadres with a strong party spirit, good work style, and excellent professionalism.

The tasks are urgent and time waits for no man. We must, under the leadership of the party center with Comrade Jiang Zemin at its core, promote the realistic spirit and the practical work style, work with one mind and one heart, struggle hard, overcome any difficulties, and achieve new results, making positive contributions to promoting the reform and opening up and economic development and safeguarding political stability.

Military & Public Security

PLA Plans To Modernize, Expand Force

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MORNING POST in English 21 Apr 95 p 19

[By David Wallen]

[FBIS Transcribed Text] In just 15 years time China's nuclear forces will have the power to strike across Asia western Russia and even the east coast of the United States. It will have aircraft carriers and its navy will be a force to be reckoned with in the region, quite capable of cutting its way across the South China Sea. The implications for disputes like the Spratlys are obvious.

Its growing submarine force will push India into a beneath-the-waves arms race in quality of weaponry, quiet running and detectability. Those are some of the conclusions in a report from one of the world's leading military intelligence study organisations, the International Institute for Strategic Studies.

It was put together by Professor Paul Dibb, head of Strategic and Defence Studies at the Australian National University and formerly deputy secretary of the Joint Intelligence Organisation in Canberra. And it presents a view of Asian forces markedly different from today, of high technology armies, air forces and navies capable of wielding influence outside their current domain.

But China's new naval might will be countered by Japan which will continue to produce one or two submarines a year. "They will be the region's most capable submarine force and the hardest to detect," it says. Japan will be unlikely to have developed nuclear weapons, but will have deliberately cut down the research and development times needed to acquire them quickly.

It will probably also have a missile defence system capable of handling limited nuclear attack by tactical and theatre ballistic missiles from countries such as China, Russia or North Korea. Even though the Chinese leadership has always denied that it would use its own power across the region or wider, the analysis of Chinese nuclear growth is startling. By 2010 China will have a more capable strategic nuclear force with between 50 and 70 multiple warhead solid-fuel intercontinental ballistic missiles compared to 14 now. Each will have a range of 8,000 to 12,000 kilometres, all on mobile launchers and in silos. There is little sign that international pressure will induce Beijing to curb the programme.

China will also develop three or four second-generation nuclear missile submarines, equipped with missiles with a range of up to 8,000 km providing it with a second strike capability. "According to one source, China will eventually build six ballistic missile submarines," Professor Dibb adds. "They will also be capable of targeting all of Asia from submerged positions close to China." The country will have a large number of surface-to-surface missiles with ranges of up to 900 km, equipped with nuclear and chemical warheads.

The report, *Towards a New Power Base in Asia*, is an analysis of military hardware developments. It adds: "China's nuclear-capable medium-range H-6 bombers are all of 1950s and 1960s technology and, although the PRC flight tested the Hong 7—which is its only relatively modern bomber—in 1988, China seems unlikely to develop a capable modern bomber force unless it acquires the Russian Tu-22m 'Backfire'." Nonetheless it warns that if China's economic growth is sustained it will not only improve its capacity to pay for high technology imports but will also advance the country's industrial base so that it will be able to make "quite significant" leaps in areas such as cruise missile technology.

The report says that in the next 15 years the PLA will concentrate on modern forces that are more mobile, with weapons systems of greater accuracy and with greater emphasis on joint operations. The PLA will give priority to more modern tanks and other priorities are likely to include more attack helicopters, and ground-based radars.

In particular China seems set to establish "rapid reaction units" for emergencies around the region. The report warns: "Countries that share land borders with China will be concerned about its numerical superiority in land forces and its increased emphasis on rapid reaction troops and training for combined arms operations."

The Chinese navy will have aircraft carriers by 2010. "They will be capable of extended operations" it adds. "Nevertheless, it will be a long time before China possesses an aircraft carrier force capable of major power projection, although on regional standards it will be a force to be reckoned with. China's capability to project force will still be limited by 2010, but it will be more capable in this regard compared with any medium powers in the region."

The regional power rivalry may well be between China and India. The report warns that the prospect of a Chinese aircraft carrier force would also prompt India into producing aircraft carriers of its own along with a more capable submarine force. India will also have developed a small number of intercontinental nuclear missiles designed to deter China. But Japan's navy will be best in both quality and quantity.

Its air force will continue to purchase the most advanced US-manufactured fighters and a locally Japanese-built version of the F-16 known as the FSX will be flying by

2000. "Japan is determined to develop the technology for advanced supersonic aircraft independently of the United States," it says.

If the Korean peninsula is unified and US forces withdraw from South Korea this will accelerate Japan's need for more capable defence forces. Nonetheless the only foreseeable circumstance in which Japan would opt to acquire what defence specialists call "power-projection forces" such as aircraft carriers capable of operating a long way from home would be if it had a total loss of confidence in any alliance with the United States.

"Japan's highly advanced technological base by 2010 will mean that could expand its military capabilities very rapidly indeed, and with little warning, if it perceived that its strategic circumstances were deteriorating. It could double most of its conventional forces within three or five years of a political decisions to do so."

The report paints a picture of Russia continuing to run down its forces in the Pacific region in number, in state of readiness, morale and technological edge. Even now its forces along the border with China are only at between 25 and 33 per cent of their manning capabilities and equipment is being reduced rapidly. "If relations with China continue to improve, it is conceivable that the Russian army along the border could contract to its pre-Sino-Soviet conflict level of 15 divisions." Its air force in the region could be cut to half its present size.

Although the Pentagon predicts that US forces in the Pacific will stay at present levels, Professor Dibb believes they will in fact contract considerably, especially if North and South Korea unify. This might also lead to US force reductions in Japan. Nonetheless he predicts that the US will maintain a presence in Diego Garcia, Guam, Singapore and elsewhere. "The USA will continue to have far flung strategic responsibilities and interests in the Pacific and Indian Oceans which cannot satisfactorily be covered from US Third Fleet bases in the continental USA or from mid-Pacific bases in Hawaii and Guam. "This will be particularly the case as China becomes more powerful, India becomes a more important factor in the Indian Ocean and the Gulf continues to be strategically unstable." US nuclear forces in the Pacific will be reduced and, depending on trends in the Chinese and Russian navies, so will its aircraft carriers.

Professor Dibb sees South Korea, Taiwan and some of the ASEAN powers acquiring the latest developments in stealth technology, cruise missiles and the most advanced communications with the transfer of advanced weapons and equipment from European, North American and Russian suppliers. But regional arms industries will develop fast with countries in the region collaborating on projects. "Just as Asian countries have proved an ability to compete in the world's civilian market, they will be increasingly able to sustain a modern defence industry," he says.

PLA Political Department Circular on Kong Fansen

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[FBIS Translated Text] Beijing, 15 Apr (XINHUA)—The General Political Department of the Chinese People's Liberation Army [PLA] today issued a circular, calling on the whole army to extensively unfold activities of learning from Comrade Kong Fansen.

The circular points out: Comrade Kong Fansen's strong party spirit, unbending revolutionary will, and great sacrifice and dedication demonstrated the fine tradition of our army, once again displayed the elegant demeanor of Jiao Yulu, and showed the noble character and imperishable righteousness of communists in the new period. He is a model for military cadres as well as local cadres. Unfolding activities of learning from Comrade Kong Fansen in the whole army, especially among party members and cadres, is of great significance to implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the enlarged meeting of the Central Military Commission; carrying forward and developing the fine tradition of our army; strengthening ideological and political building of military units, especially the building of leading groups at various levels; resisting the corrosion of corrupt thinking; and enhancing military units' cohesion capabilities and fighting power.

The circular stresses that comrades of the whole army, especially leading cadres of the party, should learn from Comrade Kong Fansen while checking on their own thinking and actual work. It says: We should learn from him his faithfulness toward the party's cause and his strong party spirit in serving its needs, rally more closely around the party Central Committee and Central Military Commission with Comrade Jiang Zemin at the core, consciously implement the party's basic line, faithfully carry out our noble duty and sacred mission entrusted to us by the party, do a good job in our respective posts with a highly responsible spirit, and make contributions to promoting the modernization of the army. We should learn from him his revolutionary spirit of selfless dedication, further foster noble ideals and correct outlooks on life and values, firmly bear in mind the goal of serving the people wholeheartedly, be courageous in making sacrifices for the interest of the party and people, and be willing to suffer losses. We should learn from him his fine style of making progress with a pioneering spirit and seeking truth from facts, heighten our spirit, improve our work style, go deep into the realities of life, overcome difficulties, and fulfill various tasks in a creative manner. We should learn from him his hard struggle and noble character of self-discipline and honesty, maintain the true quality of our party and army, consciously resist money worshipping, eliminate the influence of individualism and corrupt living style, and foster a good image of working hard with a pioneering spirit and being honest in performing official duties.

The circular calls on party committees and political organs at various levels to consider the activities of learning from Comrade Kong Fansen as important work in strengthening the ideological and political building of various units. It calls for integrating the learning activities with the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, with the "decision on strengthening party building in the army" made by the Central Military Commission, and with activities of learning from Lei Feng, Su Ning, and Xu Honggang as well as models of respective military units. It says we should use the deeds of Comrade Kong Fansen as vivid teaching material in party lectures and in conducting "education of four types [si ge jiao yu 0934 0020 2403 5148]." We should guide party cadres, especially leading cadres, to consciously take Comrade Kong Fansen as their example, receive gains from his deeds, discover shortcomings in our own ideology and work, and be good members of the party and good cadres of the people.

Biography Published in Memory of Marshal Ye Jianying

OW2004152095 Beijing XINHUA in English 1441
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—A biography has been published to commemorate the 98th anniversary of the birth of former Chinese Marshal Ye Jianying.

Retired senior leader Deng Xiaoping wrote the title of the book in his own calligraphy: "A Biography of Ye Jianying."

Ye died in Beijing on October 22, 1986 at the age of 90. He was elected chairman of the Standing Committee of the National People's Congress in 1978 and vice-chairman of the Central Military Commission of the People's Republic of China.

The book is said to give an authentic, vivid description of the whole life of Ye, depicting his fine qualities and devotion to the cause of communism.

Published by the Modern China Press, the book has 580,000 Chinese characters, including a brief chronology and 112 pictures of Marshal Ye.

Meeting Celebrates Ye Jianying Biography Publication

OW2004172795 Beijing XINHUA in English 1626
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—General Secretary of the Communist Party of China Jiang Zemin today called for efforts to learn from the late Marshal Ye Jianying, and make contributions to China's reforms, opening-up and socialist modernization drive.

Jiang, also chairman of the Central Military Commission (CMC), made the call at a meeting to mark the publication of a biography of Ye and in commemoration of the 98th anniversary of his birth, which was held here by the CMC.

He said that the publication of Ye's biography will promote ideological education in patriotism, collectivism and socialism, and play an active role in carrying on the fine traditions of the Party and the People's Liberation Army.

Jiang spoke highly of the great contributions Ye made to the victory of the Chinese revolution and the development of the socialist cause.

"One must have a powerful spiritual prop if one wants to be successful in both revolution and construction," he said, adding that the revolutionary spirit and lofty ideals possessed by the late revolutionaries, including Marshal Ye, are invaluable assets and motive forces to propel the whole nation.

He called on all Party members, especially the leading officials, to continue efforts to enhance the building of the Party's work style and a honest, clean government, and to firmly combat various kinds of corrosive tendencies and corruptions.

Ye died in Beijing October 22, 1986 at the age of 90. He was elected as chairman of the Standing Committee of the National People's Congress in 1978 and vice-chairman of the Central Military Commission.

The biography gives an authentic, vivid description of the whole life of Ye, has 580,000 Chinese characters, and has a brief chronology and 112 pictures. Retired senior leader Deng Xiaoping wrote the title of the book.

CMC Vice-Chairmen Liu Huaqing and Zhang Zhen, and other military leaders also addressed the meeting.

Public Gathers To Hear Reports by Police Heroes

OW2004143995 Beijing XINHUA in English 1423
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—More than 7,000 people from all walks of life in Beijing gathered here today at the Great Hall of the People to hear reports from four police heroes.

Wei Guoliang from Liaoning Province still has three bullet fragments in his skull after a fight with criminals. Li Yongjiang of Heilongjiang Province has nabbed 1,800 thieves over a ten-year period. Lu Lanying from the Inner Mongolia Autonomous Region made her neighborhood, which has 5,000 people, free from crime with her patience and love. Wang Lijun from Liaoning has been especially successful in combating crime rings in the province.

They have all sacrificed their personal lives for police work. Li's son became handicapped for lack of enough care from his parents and Lu's nine-year-old son said he wants his mother instead of his mother's medals.

The capital was shocked at the death a policeman in March. Many of the local people, especially the young,

realized the hardship and danger of police work and change their impression of policemen as being stubborn and sometimes impolite.

The report meeting today was co-sponsored by 51 institutions and enterprises.

Zhao Xia, 13, a junior school student, said, "I used to admire film stars and singing stars, but now I realize that policemen of this kind are real heroes."

A 32-year-old worker called Ge Rongmin said he used not to like policemen, because they treated people high-handedly. "I've changed my ideas now, after the report meeting, for I have come to understand the police are heavily burdened and need support from the public."

The four policemen giving the reports belong to a seven-member group touring the country with the goal of uniting the public and win support for public security work.

General

Official Says Curbing Inflation 'Key Issue'

HK2004141095 Beijing ZHONGGUO XINWEN SHE
in English 1130 GMT 20 Apr 95

[FBIS Transcribed Text] Chengdu, April 20 (CNS)—Vice-minister of the State Commission for Restructuring the Economy, Wang Shiyuan, said to curb inflation was the key issue of macro-control. A cautious attitude should be employed when suggesting any reform move which might be unfavourable to inflation control.

Wang made the above statement at the fifth urban supplementary reform experiment conference.

Wang argued that the most difficult thing was to shift the government's functions in launching supplementary reforms. He requested experiment cities to seek ways for separating the government's role, acting as a social economy manager, from that as an owner of the state-owned assets and to develop management and operational mechanism of the state-owned assets. Meanwhile, much attention should be given to the social security system reform, which should be launched as soon as possible.

As for the relationship between reform, economic development and social stability, Wang said various experiment cities should handle this relationship carefully when implementing various reforms and opening to the outside world, the reform should be integrated with development.

The fifth urban comprehensive supplementary reform experiment conference and the conference on modern enterprise system experiment lasted for three days and ended yesterday.

Official Warns Inflation Difficult To Control

HK2104051395 Hong Kong SOUTH CHINA
MORNING POST in English 21 Apr 95 p 8

[By Agnes Cheung]

[FBIS Transcribed Text] A senior mainland statistician yesterday warned that China's rampant inflation would not be easily controlled, although a lower figure was reported in the first quarter of the year. Xiang Zhongde, chairman of China Statistics Consultants Limited—an arm of China's State Statistics Bureau in Hong Kong—predicted inflation this year could stay between 15 and 20 percent. "However, we all hope that we can reach the target of 15 percent (set by the State Council)," he said.

He said it would depend on the forthcoming summer and autumn harvests which could help relieve rises in prices for agricultural products. The decrease in agricultural production last year triggered increases of 50.7 percent in grain prices, a 41.6 percent rise in meat prices and 38.2 percent rise for vegetables. The bureau revealed that in the first quarter this year the consumer price

index rose 22.6 percent and the retail price index, which excluded the service sector, increased by 19.9 percent.

The fall in the figures has sparked hopes for a "soft landing" for the country's overheated economy. But Mr Xiang warned that inflation might remain high if localities tried to launch more projects. "This year is the last year of the Eighth Five-Year Economic Plan. There could be a strong tendency for localities to compete for accomplishing the tasks of the Plan." He doubted that the scope of projects could then be suppressed.

Cadres' misunderstandings about inflation were also an unfavourable factor, Mr Xiang added. He said some localities thought they would be at a disadvantage if prices were too low. "They hope to raise prices to improve their fiscal revenues and solve financial problems," Mr Xiang said. Rampant charges and price increases should be banned, he said.

Official Cites Wu Bangguo on Enterprise Reforms

HK2004140995 Beijing ZHONGGUO XINWEN SHE
in English 1152 GMT 20 Apr 95

[FBIS Transcribed Text] Chengdu, April 20 (CNS)—Hong Hu, Deputy Director of the State Commission for Restructuring Economy, said at the conference on the experimental work of modern enterprise system held by the State Commission that the Central Government and the State Council regarded the deepening of reform of state-owned enterprises as the focal point of reform in 1995's economic mechanism. The reform of state-owned enterprises has to face new challenges. Mr Hong pointed out that state-owned enterprises needed to be aware of the situation and seize the opportunity for experiment of a new enterprise system.

Hong Hu said that the State Council would carry out trials for the setting up of a modern enterprise system in 100 enterprises, as well as an experiment for the setting up of state shareholding companies in three enterprises. In general, the situation is promising with trials off to a good start. However, in some regions the development of the departments and enterprises on trial is not balanced.

Hong Hu said that the Third Plenary Session of the Fourteenth Central Committee definitely pointed out the direction and target of the reform of state-owned enterprises in China. Many speeches by leaders of Central Government also show that the direction of the reform is very clear, so there is no cause for any doubts. He said that Wu Bangguo, Vice-Premier of the State Council, recently demanded that the departments concerned must properly deal with the enterprise trials, solve difficulties and strive for breakthroughs.

Control Over Wage Income To Be Intensified

HK2004140795 Beijing ZHONGGUO XINWEN SHE
in English 0936 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (CNS)—According to a national conference on labour plan and

salary held yesterday here, an official of the Ministry of Labour Wang Dongyan stated that the control over wage income of employees must be intensified.

According to Wang, the gross salary value of the employees nationwide in 1994 increased by 35.3 percent over 1993, and per capita salary amount increased by 33.8 percent. Taking inflation into consideration, the gross salary value and average salary amount respectively showed a 8 percent and 7 percent growth in real terms. Both salary and actual income showed the highest growth ever seen in recent years, and imbalance in this sector in various parts and various departments appeared.

To counter the situation, Wang said wage income of employees should be controlled based on the development of the national economy and the demand of economic system reform. The following moves would be taken to intensify control over wage income:

- All wage income of employees of various ownerships should be put under control, including state-owned, collectively-owned enterprises, joint ventures and township enterprises. The main economic index would be changed into non-agricultural gross domestic product from previous non-agricultural national income, adding relevant economic indices like employment rate, prices and labour cost.
- The practice where workers in some regions were first subsidized a certain sum of wages based on inflation rate and then their wages were linked with the cost-effectiveness must be firmly corrected. If an enterprise failed to achieve value-added index of state-owned assets, it would not be permitted to draw newly-increased cost-effectiveness-related wages. If a loss-making enterprise failed to improve its economic performance, it would not be permitted to increase wages of their workers and issue bonuses.
- An inspection and supervision system over wage income of enterprises should be set up.
- Employees' non-wage incomes should be put under control. The labour departments at various levels would coordinate with planning, economic and trade, financial and taxation departments as well as banks, auditing, statistical, commercial and industrial departments to do some research so as to map out the policy and measures to control employee's non-wage incomes.

'Pilot Zones' Said Not Implementing Market Reform

HK2104052395 Hong Kong SOUTH CHINA MORNING POST in English 21 Apr 95 p 8

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] A senior official has warned that a number of state enterprises have failed to implement market reforms despite the fact they have been designated "pilot zones" for such experiments.

The vice-chairman of the State Commission for the Reform of the Economic Structure, Hong Hu, pointed out in Beijing yesterday that unnamed parties had shown "doubts and hesitations" concerning the decisions of the third plenum of the Central Committee. The third plenum of late 1993, considered the high point of liberalisation, recommended that at least 100 state-owned enterprises be designated "pilot points" for market reforms, such as conversion into shareholding companies.

Speaking at the end of a conference on pilot zones for a modern enterprise system, Mr Hong reminded state entrepreneurs they "shoulder a major task". Mr Hong, the son of retired general Hong Xuezhai, admitted certain localities, government departments and enterprises had dragged their feet. "We must insist that the direction for the construction of a modern enterprise system not be shaken," Mr Hong said.

It is understood Mr Hong was indirectly criticising a scaling back in market reforms which has taken place since early 1994, when the national priority shifted to fighting inflation and pre-serving political stability. The commission head, Politburo member Li Tieying, has espoused a pace of reform that is significantly faster than that associated with economic tsar vice-premier Zhu Rongji.

But another commission vice-chairman, Wang Shiyan, apparently toed the conservative line at the same conference. "All reform measures that are detrimental to the control of inflation must be cautiously handled or postponed," he said. Mr Wang reiterated the standard line that a balance had to be struck between the goals of reform, development and stability. "We must not implement reform measures for the sake of reform," he said.

Meanwhile, the difficulties facing the reform effort were dramatised by new figures on "triangular debts", or money that enterprises owe each other and the banks. The semi-official Hong Kong China News Agency [ZHONGGUO TONXUN SHE] reported that such debts had reached an unprecedented 631.4 billion yuan (about HK\$579.63 billion) last year, 51 percent higher than the 1993 figure. It quoted Mr Li as saying Beijing had decided to stop using state funds to solve the debt problem, and that enterprises had to rescue themselves through "equal competition in the marketplace". But vice-premiers Mr Zhu and Wu Bangguo have indicated that sound enterprises will be entitled to new funds injections.

Finance & Banking

State Treasury Revenue 102.7 Billion Yuan

OW2004172495 Beijing XINHUA in English 1614 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—China's treasury reaped some 102.7 billion yuan in revenue during the first three months of this year, up 15.7 percent over the corresponding period of 1994.

The figure represents 18 percent of the year's budgeted total, according to the Ministry of Finance.

Yet the country's expenditure from January to March amounted to 102.9 billion yuan, a jump of 27 percent over last year's same period.

Vice Finance Minister Jin Renqing called the budgetary implementation "smooth" and the fiscal situation "normal".

He said the treasury income kept climbing steadily in the first three months, with the consumption tax growing by 77.8 percent, the value-added tax up by 15 percent and the business tax rising by 26.9 percent.

The fiscal input into agriculture rose by 45.7 percent during the January-March period, and that for technical upgrading and new product research was up 18.1 and 30.6 percent, respectively.

Jin said that 24.92 billion yuan-worth of unregistered treasury bonds for 1995, which had been underwritten by primary dealers, had been sold by the end of March. The certificated bonds sold so far amounted to 73.22 billion yuan-worth.

"The active purchasing of the bond promises a smooth issuance for this year," said Jin.

Jin said the ministry will ensure the implementation of this year's budget. "Government departments and local officials will not be allowed to give revenue cuts or expand expenditure scales without the ministry's permission," he added.

He called for a tightened crackdown on fraud in export refunding. The ministry will tackle tax defaults by "economic and legal" means, said the vice minister.

Government To Enforce Individual Income Tax

OW2004141495 Beijing XINHUA in English 1200
GMT 20 Apr 95

[FBIS Transcribed Text] Guangzhou, April 20 (XINHUA)—The Chinese government has been enforcing individual income tax collection since last year, although the Chinese people are still not accustomed to them.

According to the latest statistics, Guangzhou city in south China's Guangdong Province received more than 900 million yuan in such taxes last year.

In the past, individual income taxes were mostly paid by private entrepreneurs and businessmen since most people did not earn a monthly salary of more than 800 yuan, which is the baseline for paying individual income tax.

As common people's salary and other income have risen in recent years, more people are obligated to pay taxes. Because people are unaware of the necessity of paying taxes, with some deliberately avoiding paying them, individual taxes for the country last year only accounted

for 1.17 percent of the total amount of tax revenues, according to government sources.

Tax evasion is especially common among some actors, artists, or self-employed persons with much higher incomes than other people.

Another reason is that there are not enough tax officers. At present, there is one tax collector for every 200-some enterprises, making it difficult to collect taxes.

As the market economy develops, the Chinese people have more ways of earning money. But, there has been no effective method of finding out the extent of people's actual income.

Some avenues of preventing people from avoiding paying individual income taxes are being explored. In Shenyang City in northeast China's Liaoning Province, a system requiring residents to accurately report their monthly income to tax bureaus is now being implemented and its methods might spread to the rest of the country.

Foreign Trade & Investment

Li Peng Meets With Visiting German Auto Executive

OW2104112395 Beijing XINHUA in English 1019
GMT 21 Apr 95

[FBIS Transcribed Text] Shanghai, April 21 (XINHUA)—Chinese Premier Li Peng said here today that China wishes to strengthen the friendly relations of cooperation with the German economic circles on the basis of equality and mutual benefit.

Li made the remark during his meeting with Ferdinand Piech, president of the German Volkswagen Automobile Corporation.

Piech led a German Volkswagen delegation to Shanghai to mark the tenth anniversary of the founding of the Shanghai Volkswagen Automobile Company.

Li expressed appreciation of the successful cooperation between Volkswagen and China's automobile producers. He hoped the German Volkswagen will continue to make efforts in helping with local production of automobile parts. This will be beneficial to both sides, he added.

Piech thanked the Chinese premier for his support to Volkswagen's development in China.

Tianjin Mayor Meets With Singaporean Investors

SK2004140895 Tianjin TIANJIN RIBAO in Chinese
18 Mar 95 p 1

[FBIS Translated Text] Mayor Zhang Lichang met in Beijing with Mr. Huang Guoshao, president of the Science and Technology Holdings Group Company of Singapore, and his entourage on the evening of 17 March. In a sincere and friendly atmosphere, the host

and the guests thoroughly exchanged views on building the industrial park of Singapore in Tianjin's coastal new area.

The Science and Technology Holdings Group Company of Singapore has already successfully established industrial parks in Indonesia and our country's Suzhou and Wuxi cities and achieved very good efficiency. This time, through further observations, Singapore has settled on the good investment environment and development potential of Tianjin's coastal new area, and made an initial decision of cooperating with relevant big financial groups of Japan to build high-tech industrial parks in Tianjin's coastal new area and in the development zone. During the meeting, Zhang Lichang said: We are now paying close attention to this work in accordance with the strategic conception of grasping the renovation of the old city proper and transformation of old enterprises with one hand while grasping the building of the coastal new area with the other hand, stressing both the new area and old ones, and carrying out this work step by step. Through 10 years of efforts, we will strive to cultivate the coastal new area and turn it into the new and biggest economic growing point of Tianjin.

In referring to the development advantages of the coastal new area, Zhang Lichang said: The coastal new area is where the advantages and hopes of Tianjin's development lie. At present, the infrastructure facilities in this area have been comprehensively initiated; the development trend in the development zone and the bonded area has been strong; Tanggu, Hangu, and Dagang Districts have started to improve their investment environment at an unprecedented rate; the construction of some key projects such as the seamless steel pipe, ethylene, polyester, and port projects is in full swing and some of them have been put into production; and the whole coastal new area is a scene of vigor and vitality. He believed that the coastal new area has a vast tract of saline-alkali wasteland available for development. It needs no relocation, requires a small investment, but yields quick returns. Such good conditions are rarely seen in the big cities of the world. It is a suitable place for large enterprises and financial groups of all countries to engage in large-scale development.

Zhang Lichang told the Singaporean guests: Tianjin's coastal new area will become a place with a high degree of opening up in the northern region of China and the people of Tianjin have full confidence in its prospects. We welcome friends from all countries to actively participate in the development and construction of Tianjin's coastal new area. We will provide sincere cooperation in all projects, including infrastructure facilities and industrial items, and in the development of tertiary industry.

Mr. Huang Guoshao said: The rapid development of Tianjin development zone and the coastal new area has drawn the world attention. Senior Minister Lee Kuan Yew once spoke highly of this. We have the wish to build the best high-tech industrial park in the coastal new area and to seek common development along with this area.

Wang Shuzu, chairman of the municipal foreign economic and trade commission, Yi Zhikuan, secretary of the development zone work committee, and responsible persons of departments concerned were also present at the meeting.

Yunnan Vice Governor Discusses Foreign Investment

OW2104033295 Beijing XINHUA in English 0253 GMT 21 Apr 95

[FBIS Transcribed Text] Kunming April 21 (XINHUA)—The number of foreign-funded enterprises increased by about 1,000 from 1992 to 1994 in southwest China's Yunnan Province, with foreign investment reaching 960 million U.S. dollars, said Liu Jingjin, vice-governor of the province.

The province had its first foreign-funded enterprise in 1984, and such enterprises increased to 73 by 1991, with a total foreign investment of 52.38 million U.S. dollars.

He said that it is accelerating the speed of getting foreign funds, not only increasing the number, but also improving the quality of foreign investment, characterized by exploiting abundant natural resources and making a connection with the markets of neighboring countries.

In 1994, foreign investment in real estate declined sharply, while investment in infrastructure and transportation rose, with natural resources being developed.

Some multinational corporations have already invested in Yunnan.

Sino-U.S. Case Concludes in Favor of Chinese Firm

OW2104083195 Beijing XINHUA in English 0650 GMT 21 Apr 95

[FBIS Transcribed Text] Shanghai, April 21 (XINHUA)—A case that dragged on for eight years, involving the Shanghai Toy Import and Export Company and the Imperial Toy Corporation of the United States over reparations, has reached a conclusion in favor of the Chinese company.

In the early 1980s, the Shanghai company signed three contracts with the American company to manufacture plastic toy catapults, based on samples provided by the American company.

After the products were sold in the United States, there were several incidents of people being injured by catapults, and the Imperial Toy Corporation was asked to pay damages amounting to 1.19 million U.S. dollars.

In May 1986, the American company refused to pay, blaming the Chinese company, and sued it, asking for compensation.

"Although the Chinese side had no responsibility with the incidents, we still signed a memorandum of understanding with the American company in Shanghai," He Guanshan, the General Manager of the Shanghai Toy Import and Export Company, said.

According to the terms of the memorandum, the Shanghai company would be absolved of all responsibility as soon as it paid 50,000 U.S. dollars to the American company.

However, the Imperial Toy Corporation continued its suit against the Chinese company, in California, after the memorandum was signed.

It was tried in local court in October 1989 and demanded the Chinese side compensate them for 1.38 million U.S. dollars. It was not until June 1994 that the judgement reached Shanghai, and the compensation by then amounted to more than two million U.S. dollars, when interest was added.

"This was an unfair judgement, which was decided in California and dragged on for five years," the general manager said.

"The only thing that we could do was to take the American company to court to uphold justice," he noted.

After almost a year's efforts, including consulting noted American lawyers, the Shanghai company finally succeeded in suing and winning.

Shenzhen To Have 'Stronger' Leadership

HK2104061695 Hong Kong EASTERN EXPRESS in English 21 Apr 95 p 6

[By Bruce Gilley]

[FBIS Transcribed Text] A leadership reshuffle in Shenzhen will take place next week as Beijing moves to reassure foreign investors that the special economic zone will survive the death of the patriarch, Deng Xiaoping. A former vice-minister of the chemical industry, Li Zibin, will be elevated to mayor, a sign of Beijing's determination to insert stronger leadership in the free-wheeling city.

Li, 45, has been the executive vice-mayor since being transferred to the city last November. A graduate in chemistry from Beijing's Qinghua University, Li rose from chemist to party chief at the massive Jinxi chemical works factory in Liaoning province before entering the central government in 1991.

Since coming to Shenzhen, he has touted the views recently put forward by the vice premier Li Lanqing that the privileges of the Shenzhen Special Economic Zone which takes in three of the city's five districts as well as the city centre—should be maintained but that greater efforts should be made to "run the zone well".

Vice-mayor Li Decheng will become executive vice-mayor. The current mayor, Li Youwei, will retain his post as party secretary. The changes will be made after a

four-day plenum of the city's Communist Party that begins on Monday [24 April] and formally ratified by a meeting of the municipal people's congress in early May.

Li Youwei, 57, who was transferred to the city from the position of vice-governor of Hubei province in 1990, has been criticised for being "too soft" on the corruption and waste that have made the city the target of anger by other provinces. The decision to move him aside in favour of Li Zibin was relayed to city leaders by the party Secretary-General, Jiang Zemin, during a tour of the city last June.

SEZ privileges not only give enterprises in the zone tax breaks and greater flexibility in hiring and firing workers, but also provide an enormous amount of central government investment in infrastructure. Beijing has pumped 270 million renminbi (HK\$294m) in loans and grants into Shenzhen in the last 15 years, about 40 per cent of the city's total investment in basic infrastructure over the same period.

Complaints by poor provinces over the favoured treatment culminated in a recent report submitted to the State-Council by the ultra-liberal economist Hu Angang, who called for the elimination of SEZs because of their cost to the central treasury. Fears that the proposals might be adopted threaten the city's huge inflows of foreign capital, which have totalled US\$7.7bn (HK\$60bn) in real terms since 1979.

The upcoming leadership changes are apparently intended to dispel such fears. Other notable leadership changes expected to be made next week include the transfer to another province of the embattled vice-mayor in charge of safety, Li Chuanfang.

Li has spent nearly two years on the ropes after a string of serious accidents rocked the city, beginning with the Qingshuihe warehouse explosion in August 1993. Subsequent fires, building collapses and industrial accidents have laid bare the lax management of the city, which is striving to converge economically with Hong Kong before 1997. Li is thought to have been kept in place pending the wholesale reshuffle of the city leadership. Another vice-mayor, Zhu Yuening, who handles industry, is also expected to be transferred out of the city, although the reasons for his departure are unclear.

The changes are being heralded as the onset of a second generation of leaders who will lead the city through 1997. "This next generation must be younger than their predecessors. They must .. complete the important task of convergence with Hong Kong for the resumption of sovereignty in 1997," Zhou Runsheng, head of the municipal party committee's organisation department, said.

Clothing Exports Rank First in World

HK2004140895 Beijing ZHONGGUO XINWEN SHE in English 0851 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (CNS)—Last year, China produced 7 billion pieces of clothing, half of

which were for export, enabling China to rank first in the world by earning US\$ 23.7 billion from garment export. Clothing has become the largest export product in China.

Since 1991, the clothing industry in China has been developing rapidly at an annual growth rate of over 20 percent. The scattered production of clothing in the country has been centralized with 13 provinces and cities with a capacity of annually producing over 100 million pieces of clothing. They are Guangdong, Zhejiang, Jiangsu, Shanghai, Shandong, Hebei, Liaoning, Tianjin, Sichuan, Fujian, Hubei, Beijing and Anhui. Their output has made up over 90 percent of the country's total.

Township clothing enterprises have been growing rapidly. The number of Sino-foreign jointly-funded clothing enterprises has been increasing year by year. At present, garments produced by township enterprises have accounted for over 60 percent of the total output in the country. At the same time, with an increase of foreign-funded enterprises, both the quality and grade of clothing made in China have upgraded. The foreign-funded enterprises have become an important force in the clothing industry in China.

South Korean Firm Enters Insurance Market

OW2104083095 Beijing XINHUA in English 0643
GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—The Samsung Group, based in the Republic of Korea (ROK), entered China's insurance market by announcing the establishment of the Beijing representative offices of its two subsidiaries, the Samsung Life Insurance and Samsung Fire and Marine Insurance, here yesterday.

Chinese officials from the State Economic and Trade Commission, the Bank of China, the People's Insurance Company of China, and Hwang Byung Tai, ROK ambassador to China, attended the opening ceremony of the offices yesterday evening.

Speaking at the ceremony, Lee Soo Bin, Chairman of the Financial Subgroup of Samsung Group, said that Samsung will further expand its investment in China, especially in the fields of finance and insurance.

The Samsung Group has had trade relations with China ever since 1979, and the trade volume last year reached 1.22 billion US dollars. Sources said that the group will continue to invest 2.5 billion US dollars in China's electronics, chemical and textile industries before the year of 2000.

Beijing Works Out Regulations for Development Zone

OW2104032595 Beijing XINHUA in English 0232
GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—Beijing will encourage Chinese and foreign investors to

start new and high-tech businesses, and export-oriented ones in the city's state-level Economic and Technological Development Zone.

This is according to the "Regulations Governing Beijing Economic and Technological Development Zone," which was adopted by the 16th session of the Standing Committee of the 10th Beijing Municipal People's Congress held last week.

The new regulations, which will take effect on June, also ban technologically-backward firms, businesses using outmoded equipment, or economic entities that will produce serious pollution in the zone.

The regulations say that a special management committee will be established to oversee the zone on behalf of the municipal government. They specify the duties and rights of the committee, as well as various preferential treatment a business in the economic zone may enjoy.

The idea for the Beijing Economic and Technological Development Zone came from the Beijing Municipal Government in August of 1991, and was approved by the State Council as a state-level development zone in August of 1994.

Located in the southwestern suburbs of Beijing, the zone is planned for 10 sq km, but the area for first-phase development is just one sq km. By the end of 1994, 770 million yuan had been invested for various construction projects.

By the end of 1994, the city had approved 83 businesses in the zone, including 58 foreign-funded firms, which involved 590 million yuan.

China has, by now, approved 32 state-level economic and technological development zones, of which, 26 have special regulatory powers.

Qinghai Evaluates Assets of Foreign Companies

OW2104083295 Beijing XINHUA in English 0655
GMT 21 Apr 95

[FBIS Transcribed Text] Xining, April 21 (XINHUA)—The Qinghai Provincial Import and Export Commodities Inspection Bureau is helping to protect the interests of Chinese and foreign investors by evaluating assets contributed by foreign companies as investment.

An official of the bureau said that nearly 100 foreign-funded companies have been set up in Qinghai Province, a vast, sparsely-populated area in northwest China.

Many foreign companies use equipment purchased abroad as their investment, the official said.

Inspection of such equipment in 12 Sino-foreign joint ventures by the officials of the bureau shows that some overseas investors resort to fraud, he said.

Equipment and other assets contributed by foreign partners in the ventures are quoted at a total of 4.01 million US dollars. "But our evaluation shows that they are worth only 3.08 million US dollars," he said.

Some foreign investors set prices on their own and use counterfeit receipts, he said.

For example, sets of equipment bought by a foreign firm for a knitwear company in Qinghai were reported to be worth 6.8 million yuan (equivalent to about 0.8 million U.S. dollars) higher than their actual value.

Some foreign investors use second-hand and shoddy equipment as their investment, he said.

For instance, last year the Hainan prefectural Cereals and Oils Company imported a biscuit production line valued at 1.2 million yuan from a foreign company.

But the bureau officials found that most of the equipment was rusty.

After negotiations, the foreign company agreed to provide a new production line, the official said.

He said that the evaluation of assets contributed by foreign partners has reduced the losses of Chinese partners by 930,000 US dollars.

Qinghai Evaluates Assets of Foreign Companies

OW2104014395 Beijing XINHUA in English 0033
GMT 21 Apr 95

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Xinjiang Investment Trade Fair Opens in Hong Kong

OW1904124595 Beijing XINHUA in English 1157
GMT 19 Apr 95

[FBIS Transcribed Text] Hong Kong, April 19 (XINHUA)—Xinjiang Uygur Autonomous Region's Investment and Trade Fair opened in Hong Kong today with 56 projects to be negotiated with potential investors from Hong Kong.

At the opening ceremony, Wang Yousan, Vice-Chairman of the Xinjiang Uygur Autonomous Region, said that they are expecting Hong Kong investors to enhance their presence in industry, agriculture, trade and tertiary services in Xinjiang.

He said that Xinjiang has established trade ties with about 50 countries and regions and it has set up more than 600 overseas-funded enterprises.

In 1994, its total export reached 571 billion US dollars and import reached 452 million US dollars.

Xinjiang has also taken the advantage of its geographical location to open up the Central Asian market. In 1994, the total value of local and border trade reached 513 million US dollars.

The 56 projects on the three-day fair involve textile, light industry, foodstuff, medicine, building material and tourism.

Concurrently, the Zhuhai High Technology Industry Development Zone is also holding a trade fair in Hong Kong from April 19 to 22.

Agriculture

Agriculture Ministry To Introduce Improved Seed Strains

HK2104061795 Beijing CHINA DAILY in English
21 Apr 95 p 1

[By Wang Yonghong: "New Breed of Seed To Meet Feeding Need"]

[FBIS Transcribed Text] In a major move to boost farm output, the Ministry of Agriculture will replace all the country's "outdated" species of crops with improved seed strains before the turn of the century.

The step is part of the effort to meet the agricultural production goal set for the next decade, said an official from the Ministry of Agriculture yesterday.

All strains of rice, maize, wheat and cotton, which have been used for a long time and whose yields are declining because of gradual degeneration, are expected to be superseded by "new and improved varieties" in the next five years, according to the ministry plan.

The ministry may set up several relevant offices to specialize in the change, said the official.

As part of the State's end-of-century goals, grain production should be increased by at least 50 million tons and cotton by 500 million kilograms by 2000 to meet the basic demand of an increasing population and industrial growth.

To ensure these targets be met, the ministry has set separate goals for different type of grain crops. It wants to increase the output of maize by 16.5 million tons, rice by 14 million tons and wheat by 13 million tons.

If the seed replacement is successfully carried out, along with the application of other measures such as using more scientific and technological devices, it won't be hard to realize these targets, the official noted.

So far, the Ministry of Agriculture and the Chinese Academy of Agriculture Sciences have selected 100 high-quality, high-yielding and disease-resistant seed strains to gradually replace the old crops across the countryside.

The ministry plans to plant some 18.7 million hectares with high-yielding cross-bred maize.

Meanwhile, some 50 fine and specially-fostered strains of wheat have been chosen and will be planted in 3.3 million hectares of cropland by 2000. This is expected to produce 1.5 million to 2.5 million tons of high-quality staple wheat for special use.

The extensive use of improved crop strains has played a crucial role in boosting agricultural production over the past decades.

During the Seventh Five-year Plan period (1986-90), the country bred some 397 new varieties of farm plants and planted them across 42.7 million hectares of farmland.

The planting of new crop seeds added an extra output of more than 50 million tons of grain and 625 million kilograms of ginned cotton for the country during the period.

In the past four years, the country successfully bred and improved 236 fine strains of rice, barley, wheat, maize, millet and sorghum.

Some 15.3 million hectares of farmland were planted with those new varieties, adding more than 5.8 million tons of grain output.

The official noted that new and improved strains of oil-bearing crops, peanuts, and other farm plants are also expected to be applied before the end of this century.

*Article Views 'Spark Plan' Successes

95CE0358A Beijing JINGJI RIBAO in Chinese
25 Mar 95 p 2

[Article by the Investigation and Research Office, CPC Central Committee General Office, and the Rural Science and Technology Department and the Investigation and Research Office, State Science and Technology Commission: "The Successful Road for Linking Science and Technology With the Rural Economy—A Spark Plan Investigative Report"]

[FBIS Translated Text] *Editor's Note: Both the CPC Central Committee and the State Council have repeatedly stressed the need to pay close attention to agriculture and to research to solve new problems that appear in development of the rural economy. Both the Third Plenum of the Eighth NPC and the Third Plenum of the Eighth CPPCC, which were recently held in Beijing, reached a further consensus on emphasizing agriculture and increasing investment in agriculture. One very important part of increasing investment in agriculture is increasing investment in agricultural science and technology to bring about an overall rise in the scientific and general knowledge and the level of scientific farming of peasants. Unless science and technology take the lead, it will be very difficult to increase agricultural yields and earnings from agriculture and to modernize agriculture.*

How can agricultural science and technology be put into the hands of the vast numbers of widely scattered peasant households at once so that science and technology blossoms and bears fruit everywhere in the far-flung rural villages? Following thorough investigation and study at the grass-roots level, the General Office of the CPC Central Committee Office, the Rural Science and Technology Department, and the Investigation and Research Office of the State Science and Technology Commission have written this "Spark Plan Investigative Report," which both summarizes experiences and provides important approaches that everyone will find very worthwhile reading about. [end editor's note]

Remarkable Accomplishments

Spark Plans were born in 1985. They are CPC Central Committee and State Council approved scientific and technical plans whose implementation the State Science and Technology Commission organizes. Their purpose is to spread the sparks of science and technology to rural villages, guide the peasants to rely on science and technology to make agriculture prosper, show township and town enterprises ways to improve, promote development

of the rural economy, and hasten the modernization of agriculture. Spark Plans begin with pilot project demonstrations on individual projects. They develop and grow strong through the founding of pillar industries and spark technology-intensive zones. They are deepened and perfected in the course of comprehensive development of regional economies. Implementation of Spark Plans opens new avenues for science and technology to move into rural villages. They produce astounding results, and they demonstrate to the full the enormous might of science and technology in propelling agriculture and development of the rural economy.

1. **Spark Plans have spurred development of the rural economy, and increased peasant income.** As of the end of 1993, 50,634 Spark Plans had been organized for implementation nationwide. They cover more than 85 percent of the counties in the country. Investment in Spark Plans totals 47.67 billion yuan, and they have produced an output value of 235.87 billion yuan, brought profits and taxes of 37.87 billion yuan, and created \$4.04 billion in foreign exchange. The state has invested relatively little in Spark-Plan projects, but outputs have been substantial and benefits quite good. In 1987, Gushan Town, which is part of Fuzhou City in Fujian Province, was designated the country's first Spark-Plan technology-intensive pilot project. In 1993, the town realized a gross output value of 1.823 billion yuan, or 17 times the 1986 figure. Its exports had a total value of 1.12 billion yuan, which was 62 times the 1986 figure; its gross industrial output value was 1.575 billion yuan, which was 17.5 times the 1986 figure; and peasant per capita net income was 2,580 yuan, which was 2.77 times the 1986 figure. In Bajiahu Village, Urumqi County, Xinjiang Province, thanks to a Spark Plan, peasant per capita net income reached 3,500 yuan. In Xinxing County, Guangdong Province, after the Wenshi Food Group Company Limited put into effect the production system of applying the methods used on farms to guide households, ordinary chicken raising households earned net incomes of between 10,000 and 20,000 yuan per year from raising chickens.

2. **Spark Plans have raised the level of technology and management in township and town enterprises and have stimulated integration of cities and the countryside.** During the past several years, Spark Plans have oriented 80 percent of development projects toward township and town enterprises, thereby advancing their technological progress and increasing their labor productivity and overall economic strength. The founding of Spark technology-intensive zones and development of regional pillar industries is the original form and emphasis for development of Spark Plans. As of the end of 1993, 45 national Spark technology-intensive zones had been founded throughout the country, 71 national regional pillar industries formed, and several hundred Spark industrial groups having an output value of more than 100 million yuan and producing profits and taxes of more than 10 million yuan had been developed. Examples include the Xiwang and Enwei groups of companies in Chengdu City, Sichuan Province; the 505 group of

companies in Xianyang, Shaanxi Province; and the Meide Share Company Limited of Shunde, Guangdong Province, which not only enjoy a reputation inside China, but are oriented towards the world.

The founding of Spark pillar industries and technology-intensive zones has spurred development of public welfare endeavors, and has promoted the building of new cities and towns in rural areas. As rural industrialization develops, a number of new cities and towns in which material life is prosperous, public welfare undertakings are well-developed, and where material and spiritual civilization have develop in tandem are rising in rural areas. Large numbers of them have appeared, particularly in southeast coastal areas.

3. **Spark Plans have promoted optimization of the rural industrial structure and quickened the transformation of traditional agriculture into modern agriculture.** National Spark projects are found mostly in 10 major fields. Approximately half of them are in farming and associated processing industries and in projects associated with major industries. In addition, chemical industry and fine chemical industry projects that produce products used in agriculture, livestock industry projects, and associated processing industry projects account for about 80 percent of all Spark projects. By developing industrial projects, cash crops, and a full range of brand name, premium quality, and specialty farm products, livestock products, aquatic products, and herbal medicines, Spark Plans have stimulated changes in the rural industrial structure and product mix and shifts in rural manpower. In 1978, the output value of all industry in Beijiao Town, Shunde City, Guangdong Province, was only 17 million yuan, or 44.7 percent of the gross output value of its agriculture. Thanks to the development of Spark Plans to optimize primary industry, readjust secondary industry, and develop tertiary industry after 1986, which brought about a historical change from agriculture being paramount to industry being paramount, in 1993, the output value of the town's industry reached 3.88 billion yuan, or 85 percent of the gross output value of its industry and agriculture combined, and 44 percent of the town's manpower was employed in industrial enterprises. During the past nine years, Zhangzhou City in Fujian Province has found work for 400,000 people, or 30 percent of its manpower, through growing fruit in the mountains and freshwater aquaculture. In these places farming, livestock raising and aquaculture, and processing have improved together, and farming, industry, science, and trading have become integrated. In spurring the transformation of traditional self-sufficient agriculture into high-yield, premium-quality, high-return modern agriculture, Spark Plans have played, and are continuing to play, an increasingly important role.

4. **Spark Plans have explored avenues for applying science and technology to the development of the economy in mountain regions, thereby changing their impoverished state.** Spark Plans taken together with assistance to the

needy, and the suiting of general methods to local circumstances, have produced a number of agricultural development projects requiring little investment that have produced quick and high returns. They have increased peasant income and helped peasants in impoverished regions to escape from poverty and become wealthy. An example was the development in Ankan Prefecture, Shaanxi Province, of a series of products from *Gynostemma pentaphylla*. Peasants were able to increase their income by 2,275 yuan from the farming of a single mu of *Gynostemma pentaphylla*. Longgu Village in Pingli County, a village of 620 people, made a per capita income of 962.79 yuan from the growing of *Gynostemma pentaphylla* alone. In 1992, 34 households escaped from poverty. Fujian Province emphasized the spread of juncao [5497 5430] farming technology, which increased the net income of mushroom-growing peasants by 350 million yuan, and increased rural employment by more than 50,000. The Bohu County Reed Board Plant in Xinjiang developed a medium-density fiber board from the wild reeds growing in the area, thereby increasing peasant income by more than 60 yuan. Spark Plans work to switch on the vitality that already exists in impoverished areas, increasing their self-development capacities. Developing here, stimulating there, and enriching are effective means for helping the needy.

5. **Spark Plans have spurred improvement of overall peasant caliber, bringing forth a number of Spark entrepreneurs.** As of the end of 1993, the country had built 601 Spark training bases, which have provided instruction for 20.7 million peasant trainees. Furthermore, Spark Plan demonstrations have made more peasants realize the real benefits that can be obtained, and they have mastered skills through practice and improved their production, administration, and management capabilities. It is particularly noteworthy that a number of administrative and management personnel possessed of rather high scientific and cultural attainments and a breadth of vision, who dare to explore new avenues, and have a strong spirit of pioneering and innovation and the knowledge and ability to take charge of production have begun to appear. Spark Plans are helping China's peasants remold their own image and character, to say good-bye to the natural economy, and to advance toward the market economy. Spark Plans have played a leading role in introducing science and technology into rural villages on a large scale and binding it closely to the rural economy. The success of Spark Plans has opened an avenue that is distinctively Chinese and that relies on science and technology to invigorate the rural economy.

Precious Experience

Spark Plans have amassed much precious experience through nine years of practice, notably the following:

1. **Spark Plans have taken the market as the guide.** Since their very beginning, Spark Plans have been oriented toward the needs of the market. They have focused on the market value and capacity of projects. Spark Plan

products, particularly the most competitive products, must have outlets in domestic and foreign markets, and hold sway for a fairly long period. This is the only way that industries can be developed, that market value can be realized, and that the rural labor productivity rate can be increased, with peasants personally coming to feel that science and technology mean wealth. In this way, Spark Plans gain the endorsement and support of the broad masses of peasants.

The vector for Spark Plans are township and town enterprises. Spark Plans rely on the strong vitality and flexible mechanisms of township and town enterprises, with Spark projects attracting technology, money, and human talent for effective allocation of resources. The Western Region Seed Group Company in Xinjiang and the former Luya Farm in Shunyi County, Beijing, guided peasants toward the market through Spark Plans in which companies worked with peasant households. The result was a close linking of peasant small-scale production with large markets, which created fine returns.

Spark Plans employ various means and channels to gain market information and technology; thus, Spark enterprises can gain a competitive edge in markets. In their implementation of Spark Plans, Jiangsu, Zhejiang, Fujian, and Guangdong provinces aimed for both international and domestic markets, making fullest use of all local strengths. Township and town enterprises responsible for Spark projects brought in sophisticated technology and superior breeds and varieties, and they obtained large amounts of timely market information. This enabled large foreign sales of the products of many projects for the formation of a large number of pillar industries having annual sales of more than 10 million yuan.

2. **Government has played a guidance, regulation and control, and service role.** Spark Plans are not the province of the State Science and Technology Commission alone. They require the close attention and support of various government sectors if they are to bear fruit and continue. The successful experiences of Spark Plans that leading comrades in some places have distilled of "markets plus science and technology plus authority" and "government conducting, the State Science and Technology Commission playing the leading role, and government departments providing support," graphically and profoundly bespeak the important role of government at all levels in carrying out Spark Plans. Science and technology commissions at all levels orient toward the market in drawing up development plans and goals for Spark Plans. They determine the key fields for development, and they provide overall regulation and control of Spark Plans. They apply specific policies and measures, and they manage and supervise the entire Spark project process. To make Spark Plans more genuinely workable, they have adopted rolling methods to give them greater flexibility and adaptability in meeting changes in market development with the plans being constantly readjusted, augmented, and perfected. Spark Plans are put into effect at three levels: the national government, the provincial (or municipality), and the prefecture or county

levels. Each level sets up a Spark Plan office that prepares Spark projects and assesses them. All projects are validated by technical and economic experts that science and technology commissions at all levels appoint in order to ensure their technical sophistication and appropriateness and their feasibility. In all provinces, cities, and autonomous regions we visited, the science and technology commissions paid very close attention to information feedback from the drawing up of projects to their implementation, preliminary examination to final acceptance, reimbursement, and coordination among all departments, and they provided timely direction, management, and services for projects as market circumstances required.

Spark Plans carry out government direction, regulation and control, and service functions; they strive for coordinated economic and social development and economic, social, and ecological benefits. However, they do not interfere in enterprise production and management. They ensure both coherence of the entire national economy and rationalness in the industrial pattern in an overall sense while simultaneously ensuring flexibility and drive in the production and management of individual enterprises by combining the two well.

3. Spark Plans rely on institutions of higher education and scientific research institutes for intellectual support. The correct choice of technology is the key to the success or failure of Spark Plans. Combining sophisticated and suitable technology with local strength in resources, converting them into commodity strengths, and ensuring the quality and high technical level of Spark Plans require strong intellectual support. During the process of their implementation, Spark Plans employ various means to draw on the participation of scientific and technical forces in institutions of higher education and scientific institutes to produce a situation of widespread coordination that powers rural scientific and technical progress. Various methods, such as technology transfers, cooperative development, partnership operations, technical training, and human resources support, are used to find ways to transform research achievements rapidly into productivity and to find, at the same time, intellectual support for rural scientific and technical progress. Spark Plans employ various measures to attract scientific and technical personnel to contract, head up, and operate Spark enterprises and to develop technical services, thereby performing meritorious deeds in the use of science and technology to build agriculture. Widespread scientific and technical cooperation provides widespread scientific and technical choices for Spark Plans. It permits the optimal choice of partners in technological cooperation to find the most sophisticated and suitable technology. Take the case of the "Yuzhong Electromechanical Spark Technology-Intensive Subzone" [quotation marks as published] in Shangyu City, Zhejiang Province, which established a technical cooperation relationship with more than 100 institutions of higher education and scientific research throughout the country.

Some of its projects met advanced international standards and produced fine returns.

4. Use of multiple channels to raise money. Spark Plans employ the matching of investment by the central government, local governments, and the units responsible for projects to obtain the money they need. The central government provides support in the form of channeling funds and loans, and local governments and units responsible for the projects employ various fund-raising methods. They rally social forces to invest in Spark Plans, preliminarily forming a new mechanism consisting mostly of loans and money they raise themselves. As of the end of 1993, a total of 47.67 billion yuan had been raised for investment in Spark Plans. This includes government disbursements of 2.03 billion yuan, or 4.26 percent; bank loans of 18.89 billion yuan, or 39.63 percent; and 26.75 billion yuan that the enterprises raised themselves, or 56.11 percent. Although the amount of central government channeled funds was small, it played an important role. It served to attract money from other quarters, principally matching funds and discounted interest loans. This played a very great role in arousing the interests of local governments and peasants in operating Spark enterprises. Spark enterprises have a high survival rate, returns are good, and they are very creditworthy, which helps them get bank credit. Spark enterprises also employ many methods to gather money from local governments and nonpublic sources. Self-financing has become the main source of investment in Spark Plans.

5. Spark Plans emphasize human resources training. Regarding improvement of the scientific and technical understanding and labor skills of peasants as a key measure, closely linking project development and human resources training, and carrying them out together in order to improve manpower quality are features of Spark Plans. Training is mostly the responsibility of the central government, provinces, municipalities, autonomous regions, and prefectures and cities, and is conducted at each level. At the county level and below, mostly science familiarization training related to the Spark Plan is given. Enterprises conduct technical training on the specific projects for which they are responsible. Most Spark-Plan training is short term, its substance closely related to the project concerned. General methods are suited to specific circumstances with training given at many levels and in many ways in preparation for the industry to be developed and the spread of new technology. An example was the "comprehensive technical development of a 400,000-mu mulberry grove to produce high yields and added value" in Jiaxing City, Zhejiang Province. During a three-year period, 2,475 training courses were run to train more than 120,000 people. In addition, 40 peasant correspondence classes in silkworm mulberry were run for the training of 1,769 people. A large number of scientific and technical personnel and permanent technical cadres were trained at different levels. The entire project was completed on schedule. It created 250 million yuan in

direct economic returns and 320 million yuan in indirect economic value added. The human resources training increased the level of management and technology of Spark enterprises and completely raised product quality.

Several Insights

The achievements and experiences gained from Spark Plans give us the following beneficial insights:

1. **We must explore new ways of linking science and technology and the rural economy.** The degree to which rural industry is organized is low, and its ability to use scientific and technical advances is fairly weak. This is the main obstacle at the present time in linking science and technology to the rural economy. The orientation of Spark Plans toward the market; the binding together of science and technology resources, capital, and material resources in a common effort through the selection of projects; the fostering of "turnkey" projects; the development of pillar industries; the formation of Spark technology-intensive zones; and the use of scientific management methods to organize dispersed peasant production and operation, thereby bringing science and technology into myriad rural households for rapid transformation of real productivity are major pioneering undertakings in the process of conducting Spark Plans. It offers a new means for bringing science and technology into rural villages to link it with the rural economy. It is through this new method that society has come to realize further the importance of science and technology as the first element of productivity, and that the peasants have come to accept it. The success of Spark Plans inspires us. Only through constant exploration, adoption of new genuinely workable methods, opening up of channels for linking science and technology to markets, use of the flexible mechanisms in markets as a vector, selection and transformation of scientific and technical discoveries, provision of market information, and use of the profit motive for scientific research activity is it possible to solve problems effectively in the orientation of science and technology toward economic construction with the country's economic construction truly following a course of reliance on scientific and technical progress.

2. **Rural science and technical requires both increased inputs and greater emphasis on pay back.** To a very great extent, success in the use of science and technology to invigorate agriculture depends on government protection and support. In carrying out Spark Plans, the central government uses a certain percentage of guidance funds

as an "adhesive" and an "intensifier" to attract and pry loose money scattered throughout society, human resources, technology and information, and to "bond" these elements together. The central government plays a tremendous role in using little to accomplish much. More investment in rural science and technology is needed, but the government cannot invest very much. But without much investment, can higher returns be gained? Practice with Spark Plans shows that with a relatively small amount of investment, government can gain rather high returns. How to use limited funds for greater gain to improve the overall level of the country's economic work is an important matter than merits diligent study and exploration.

3. **The key to sustained development of society and the economy lies in improving manpower quality.** One matter of decisive importance for realization of socialist modernization is to put economic construction on a path of reliance on scientific and technical progress and improvement of the caliber of the work force. We must take effective action, using all forms of education to foster and improve the quality and the creativity of the race. In China, peasants account for more than 80 percent of the population, so the caliber of the peasants determines the overall caliber of the whole people. Spark Plans have paid close attention to the crucial factor of improving work force caliber, linking it to economic and social development and to universal education and the popularization of science. They have done much to develop on-the-job training and to operate short-term training courses of different kinds at different levels, beginning with the application of knowledge and skills. Through demonstrations and practice, Spark Plans have hastened improvement of peasant caliber, trained large amounts of human talent of various kinds at various levels and trained managerial and administrative personnel for all kinds of enterprises and local talent, obtaining outstanding results thereby. Going to school and studying is a form of learning. Linking building of the economy with education and using various means to satisfy the needs of economic and social development in many regards in order to elevate thinking and morality and the scientific and cultural caliber of the whole people is also a form of learning. Furthermore, it is learning on a broader and larger scale. If we can combine work and learning in each of our social and economic development plans, and for each of the tasks on every front, and if we can combine them with raising the caliber of the people, we will certainly greatly accelerate the country's socialist modernization.

Southwest Region

Tibet's Legislation Reflects Regional Autonomy

OW2004134395 Beijing XINHUA Domestic Service in Chinese 2129 GMT 5 Apr 95

[By reporter Ning Shiqun (1337 0013 5028)]

[FBIS Translated Text] Lhasa, 6 Apr (XINHUA)—In Tibet, local legislation has promoted rapid economic development and all-round social progress. The local laws and regulations amply reflect the regional autonomy of Tibet's minority nationalities, and are in accord with the common interests of all Tibetan people.

To safeguard national solidarity and ethnic unity, promote economic development in nationality regions, and promote Tibet's all-round progress, it is understood that the autonomous regional people's congress standing committee, in the process of building a socialist market economy in Tibet and under the autonomous regional party committee's leadership, has defined the legal framework and legislative objectives that are suited to local legislation, Tibet's stability, and reform and development by centering around the theme of stability and development, and in light of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, the legislative objectives set by the Third Plenary Session of the 11th CPC Central Committee, and the realities in Tibet.

Tibet has persevered in seeking truth from facts; broken with the convention that dictates that legislative motions be examined by separate departments according to category; improved efficiency in examining laws and regulations; and guaranteed the quality of local legislation in the process of drafting more than 150 local laws, regulations, and administrative rules. Relevant departments have intervened and participated in drafting and examining relevant laws and regulations at an early date before submitting them as motions; and have harmonized the relations between responsibility, authority, and interests of departments. Attention has also been given to enhance the roles of experts and scholars, arouse the enthusiasm of all sections of society, and ensure that the promulgation of all laws and regulations proceed smoothly.

The local laws and regulations have embodied the character of minority nationalities' regional autonomy. Twelve local laws and regulations promulgated by Tibet last year, including the "Tibet Autonomous Regional Regulations on the Management of Commodity Trade Markets" and the "Tibet Autonomous Regional Procedures for Implementing the PRC Law on Mining Safety," were formulated according to the "Law on Regional Autonomy for China's Minority Nationalities." These documents, which have the common properties of national laws and regulations but also differ from them, embody the spirit of the regional autonomy of minority nationalities.

By enhancing the roles of local laws and regulations in guiding, promoting, guaranteeing, and restraining the establishment of the socialist market economy through legislation, Tibet has laid the legal foundation on which its construction undertakings could be based. The autonomous region has also intensified its efforts to enact economic legislation in the process of enacting local laws and statutes, thus creating a fine legal environment for the economic construction of Tibet. The "Regulations on the Management of Foreigners Hiking in Tibet," Tibet's first statute on foreigners, has been formulated with the aim of serving economic construction and further utilizing the central authorities' special policies for Tibet in the form of laws and regulations, so that Tibet could make the most of its rich mountain resources to generate economic benefits.

Yunnan Government Publishes Work Report

HK2104083695 Kunming YUNNAN RIBAO in Chinese 28 Feb 95 pp 1-2, 3

[Yunnan Provincial Government Work Report delivered by Governor He Zhiqiang to the Third Session of the Eighth Yunnan Provincial People's Congress on 20 February]

[FBIS Translated Text] Fellow deputies:

On behalf of the provincial people's government, I hereby submit this work report to the congress for examination and deliberation and to the members of the Chinese People's Political Consultative Conference [CPPCC] Yunnan Provincial Committee and nonvoting delegates for their opinions.

The Year 1994 Was One During Which New Achievements Were Attained in Reform, Development, and Stability

In 1994, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as well as the leadership of the party's Central Committee, the State Council, and the Yunnan Provincial CPC Committee, the provincial government, by relying upon and uniting with the people of all nationalities throughout the province, conscientiously put into practice the guiding principle of further emancipating the mind, seizing opportunity, deepening reform, opening up wider to the outside world, promoting development, and maintaining stability and correctly handled the relations between reform, development, and stability so that new achievements were scored in the province's reform, opening up, economic construction, and all other fields of endeavor. Except for the price control targets, the various targets for economic and social development approved at the Second Session of the Eighth Yunnan Provincial People's Congress were fulfilled either as scheduled or ahead of schedule.

1. The national economy continued to maintain a good development momentum. The gross industrial and agricultural output value reached 124.7 billion yuan, up 13.2

percent (calculated at comparable prices; the same hereafter). The GNP reached 86.7 billion yuan, up 11 percent. The local budgetary revenue was 7.57 billion yuan, an increase of 19.8 percent, overfulfilling the central targets for the growth in state and local taxes. The development of tertiary industry was faster than that of the primary and secondary industries and the proportion of collective, individual, private, and other economic sectors was raised noticeably.

—The rural economy developed in a comprehensive way. As a result of seriously putting into effect the guidelines of the national conference on agriculture, rural reforms were deepened, the building of rural grass-roots units was intensified, more funds were put into agriculture, a large number of measures in relation to applied science and technology were disseminated, and forces were organized to combat disasters and provide relief aid to disaster victims. Funds injected into agriculture by financial departments at various levels totalled 3.33 billion yuan, up 7.6 percent. Given the frequent natural calamities with the output of crops and winter grain declining by approximately 53 percent, there was still a bumper harvest for the whole year through hard work. The increased value in agriculture grew by 3 percent and the total grain output reached 11.46 billion kg, up 610 million kg and reaching the highest level in history. The output of principal cash crops, including sugarcane, tea, rubber, and so on, vegetables, and fruits increased to varying degrees. The output of meat was 1.125 million tonne, up 10 percent. The output of aquatic products was 69,000 tonne, up 17.5 percent. Further efforts were made to carry out large-scale construction of irrigation works, so that water storage in reservoirs and ponds created an all-time high of more than 5 billion cubic meters. Afforestation during the year reached 5.25 million mu and good achievements were scored in the work of forest protection and fire prevention. Powerful measures were also adopted to boost the rapid growth of township and town enterprises, which registered a total revenue of 38.4 billion yuan, up 70.5 percent, thereby vigorously promoting rural economic prosperity and the construction of small cities and towns.

—Production in industry and transportation grew rapidly. Running state-owned enterprises effectively is one of the focal points in the province's economic work. For various reasons, some industrial and transport enterprises encountered financial difficulties in early 1994 and, by the end of March, the number of loss-making enterprises throughout the province reached 37.6 percent. In light of the funds shortage and the relatively difficult conditions in production and operations confronted by these enterprises the provincial government positively raised funds with the support of financial and relevant departments; adopted the measures of stressing the key points, giving guidance according to varying conditions, and placing responsibility on leadership at different levels

in carrying out the plan to support the enterprises suffering losses; helped enterprises transform their operational mechanisms; and vigorously explored new markets, so that industrial production was accelerated, quarter by quarter, and economic results were enhanced somewhat. The increased value in industry throughout the province went up by 15.2 percent. The quality and profits in tobacco production were better than in previous years, making outstanding contributions to increasing the state and individual income and promoting economic and social development in the province. The output of principal products including steel, 10 kinds of nonferrous metals, generated power, chemical fertilizers, cement, and so on, increased by larger margins. The index of economic results of industrial enterprises at and above township level with separate accounts throughout the province held a leading position in the country. The railway department vigorously tapped potential and the volume of cargo transported out of the province reached 11.2 million tonne, up 10.1 percent. Post and telecommunications developed at a high speed, with their business transactions up 63.5 percent, and program-controlled telephones were installed in 17 prefectures, autonomous prefectures, and cities, and 90 counties, cities at county level, and towns.

—Remarkable achievements were made in key construction projects. There was a serious funds shortage in local construction in the course of fiscal and tax system reform. To ensure the smooth progress of key construction, the provincial government adopted resolute measures to cut ordinary projects, put the newly started projects under strict control, tried by every possible means to raise funds, and went deep into the construction sites to solve various difficulties in a timely manner, to guarantee the progress of the key construction projects. During the year, the investment in key construction amounted to 8.5 billion yuan. A total of 12 key projects and individual projects including the Manwan Power Plant No. 3 and No. 4 Generating Units, the project diverting water from Erhai Lake to the Binchuan region, Baoshan Airport, the Anning-Chuxiong class two special highway, a short-wave communications project, and so on were completed as planned. The completion of these projects further augmented the reserve strength of economic development in the province.

2. Relatively great headway was made in the economic structural reform. The year witnessed comprehensive advances in reform with some key points making breakthroughs. After meticulous organization, we determined on 14 special subjects to be investigated and studied under the responsibility of the provincial leadership, with a view to ensuring smooth reform progress and resolving the problems which cropped up in reform in a timely fashion. Momentous reform was carried out in the fiscal and tax systems, new tax regulations were put into practice, and the work of separating state tax bureaus from local tax bureaus was completed. As a

result, the financial departments at the provincial level were able to operate according to the revenue-sharing system and the provincial authority was able to practice a transitional system in prefectures and counties. This has laid down a foundation for the comprehensive implementation of the new financial system. The financial structural reform was chiefly aimed at intensifying the People's Bank of China's functions in macroeconomic regulation and control, expediting the transformation from specialized banks to state-owned commercial banks, and establishing the affiliated organs of policy banks. Through reform of the investment structure, we enhanced our guidance for state asset investment at a macro level, practiced the proprietor responsibility system in a number of key construction projects, including the Simao Paper Mill, the Dachaoshan Hydropower Station, and so on, and provided project financing in the form of the joint-stock system. In circulation structural reform we paid particular attention to the development of commodity markets, positively cultivated production factor markets, and promoted the optimum allocation of natural resources. In the in-depth enterprise reform, we set up 203 joint-stock enterprises, practiced a state-owned, community-run system in some small state industrial and commercial enterprises, and carried out transformation of supply and marketing cooperatives for the establishment of a shareholding system. We also founded Hongta and other large enterprise groups. Through such forms as the transfer of property rights, merger, bankruptcy, and others, the assets of 246 insolvent enterprises were reactivated. The reform of the urban and rural social insurance system was carried out at a faster pace and the housing reform was pushed forward comparatively quickly.

3. New steps were made in opening to the outside world. We further expanded our openness, primarily focusing on Southeast Asia, and conducted close exchanges with Southeast Asian countries so that the share of our exports to these countries rose from 9 percent in 1989 to 30.5 percent in 1994. We successfully hosted the Second Kunming Trade Fair, the First China Northwestern Regional Conference for Solicitation of Business and Investment, and China Domestic Tourism Trade Fair, which further expanded Yunnan's influence abroad. We increased exchanges with Europe, the United States, Japan, and the ROK; received visits by foreign diplomatic missions from 48 countries and representatives from three international organizations; and held talks with a number of large enterprises and consortia on major investment projects in Yunnan. The deepening of foreign trade structural reform and the unification of exchange rates gave impetus to the rapid growth in the province's foreign trade and the volume of imports and exports during the year reached \$1.34 billion, up 60 percent. The volume of border trade in small transactions was 2.24 billion yuan, up 14.1 percent. Foreign capital actually used amounted to \$314 million, of which \$203 million was direct foreign investment. The registrations of 262 foreign-invested enterprises were

approved, which brought the total number of foreign-invested enterprises across the province to 1,046. Foreign economic and technological cooperation was repeatedly expanded, with the amount of newly signed contracts for overseas projects and labor service coming to \$105 million, up nearly 160 percent. Over 1,100 projects of economic and technological cooperation between our province and some 20 provinces, municipalities, and autonomous regions throughout the country were carried out and funds exceeding 600 million yuan were imported. Effective measures were taken to boost tourism as a burgeoning and key industry which contributes to the import of foreign capital and which has brought about a rapid development in tourism. During the year, the province received more than 12 million domestic and foreign tourists, among whom 522,000 were from abroad, up 29 percent, and income in foreign exchange amounting to \$124 million was earned, up 19 percent.

4. The key problems in helping-the-poor work were tackled and the nationality work was intensified. It is our long-term strategic task to resolve the problem of extremely unbalanced growth in various localities in economic and social development and also our urgent task to achieve the second-step strategic objective of shaking off poverty among 7 million people. The provincial party committee and government decided to start a campaign to tackle the key problems in the work to assist the poor throughout the province. For this purpose, we have formulated and put into practice the "Yunnan provincial program on tackling the key problems in assisting the 7 million impoverished people during the remaining seven years before the end of this century." In line with the principle of helping the poor and developing the local economy one region after another, and on the basis of completing the deployment of helping-the-poor work in Diqing and Wenshan, the deployment in Simao and Honghe was made and investigation and study in other regions were conducted during the year. Besides, 89 government organs at the provincial level and a number of colleges and universities, scientific research units, academic groups, and central units established close contact with 73 impoverished counties in the implementation of the above program.

In 1994, more than 1,000 development projects to assist the poor were arranged, into which various kinds of funds exceeding 1.1 billion yuan were injected; more than 40,000 training classes on applied techniques were conducted, which were attended by some 4 million people; and the problem of having adequate food and clothing was solved for a population of 770,000. The "Law on Regional Autonomy of Minority Nationalities" and various policies for supporting economic development in the ethnic minority regions were further implemented. Last year, the provincial government increased funds allotted to the minority regions by 760 million yuan to show consideration for their financial necessity, and funds amounting to 670 million yuan were also increased as fixed-quota subsidies. In the meantime, it

provided the minority regions with preferential treatment in investment, gave priority to them in the arrangement of various compensatory funds and bank loans, and carried out a number of projects in energy, transportation, telecommunications, and comprehensive development, thus bringing about economic development in the minority regions. The total grain output in eight autonomous prefectures reached 4.59 billion kg, up 6.4 percent, and the output of principal cash crops all grew by a larger margin. Development of township and town enterprises was accelerated and the conditions of impeded circulation improved somewhat. In addition, the provincial government's plan of taking two years to increase or expand 1,000 primary schools and 200 junior secondary schools was overfulfilled, a total of 1,500 ground satellite receiving and relaying stations were set up, and the level of people's material and spiritual lives was continuously enhanced.

5. Various undertakings including education, science, and technology achieved further development. In accordance with the "Program of Education Reform and Development" promulgated by the state, the province worked out an implementation plan after investigation and study and has put it into practice. In the area of basic education, the nine-year compulsory education system was practiced in an additional three counties and the six-year compulsory education was made universal in another nine counties. Illiteracy was eradicated among 350,000 young and middle-aged people, 95,000 more than the previous year. Vocational and technical education made constant advances and the total number of students studying in special and technical secondary schools increased by 11.4 and 7 percent respectively. The tertiary education developed healthily in the course of in-depth reform and structural readjustment, the construction of key colleges and universities was stepped up, and Yunnan Industrial University was established. The internal reform of management structure in various kinds of schools at different levels was carried out, and the vitality in running schools was further enhanced. There were more funds put into science and technology and new successes were scored in the areas of achievement dissemination, basic research, scientific research to tackle key problems, and so on, with 180 items awarded the scientific and technological progressive prize and 34 items awarded spark prizes at provincial level. We developed a number of new hi-tech products, thus quickening the pace of commercialization and industrialization of the achievements in science and technology. New achievements were also yielded in the research of social sciences. The medical and public health undertakings continued to develop, as 33 counties already reached or basically reached the rural public health and primary health care standards set by the state. The incidence of various contagious reportable diseases was controlled at a relatively low level. The family planning work was continuously reinforced and the natural population growth rate across the province stood at 13.8 per mille, which was within the targets set by the state. We started

to construct the "Chang Jiang Protection Project," which the entire people in our province have followed with interest. This project, primarily focused on harnessing Tianchi, was aimed at protecting the environment of water areas and the ecological conditions along the Chang Jiang valley. The cultural structural reform was deepened incrementally and there was a gratifying bumper harvest in the creation of artistic works, with a number of well-written plays and operas awarded prizes nationwide. The protection work of historical and cultural relics was strengthened. Fresh achievements were also scored in the work of radio and television broadcasts, as the Yunnan Economic Radio Station and the Yunnan Economic Television Station were recently built, which has expanded the propaganda front in the province. The press and publication undertakings attained a new development in the course of reform, and mass activities in sports were conducted extensively, as demonstrated by the successful sponsorship of the ninth provincial sports meet and the fifth national games for minority nationalities.

6. The people's livelihood conditions continued to improve. The per capita net income for peasants rose from 675 to 803 yuan, up 4.6 percent if the factor of price increases was excluded. During the year, 136 million yuan in relief funds and a number of relief materials were distributed among the disaster victims so that the people's lives in the disaster-stricken areas were appropriately arranged. The per capita net income of urban residents used as living expenses was 3,110 yuan, up 11.6 percent if the factor of price increases was excluded. Residential houses covering an area of 6.35 million square m were built, raising the per capita housing area to 7.8 to 8 square m. The "project of living in peace and comfort" was under construction with a gross area of 2.1 million square m already completed and a number of families with housing difficulties moved into their new homes. There were ample supplies of commodities in the market which provided the material conditions for enriching the people's lives. The deposits of urban and rural residents increased substantially. The deposit balance at year end came to 35.14 billion yuan and the per capita savings rose from 647 to 898 yuan, the largest increase in per capita savings ever.

7. New headway was made in building the democratic legal system and spiritual civilization. The provincial government paid serious heed to, and conscientiously carry out the resolutions and decisions adopted by, the provincial people's congress, reporting on work to its standing committee in a timely manner as required. It accepted supervision from the provincial people's congress on its own initiative. Positive efforts were made to exercise the role of the CPPCC in democratic supervision and participation in the deliberation and administration of state affairs and to have closer contacts with the democratic parties and people without party affiliation. Over the past year, the government has handled 478 cases containing suggestions, criticism, and opinion from the people's deputies and 465 proposals from the

CPPCC members and the quality of handling cases has been further enhanced. Serious attention was paid to implementation of the "Yunnan Province Regulations on Handling People's Letters and Visits" in a bid to repeatedly improve the work of handling letters and visits from the masses. Marked progress was made in the government's legislative work. In 1994, we submitted 15 local statutes to the standing committee of the provincial people's congress for examination and adoption and formulated 23 regulations and other standardized documents which created conditions for performing administrative work according to the law. We paid close attention to properly handling the relations between reform, development, and stability, enlisting personnel in a timely fashion to conduct investigation and study into the contradictions and problems cropping up on the road of advance and taking measures to resolve them to maintain social stability. The second five-year plan on the education of popularizing laws was continuously carried out in depth and the people's legal awareness was constantly enhanced. While intensifying the comprehensive management of public security, we organized the "severe crackdown" struggle with various forms and contents and, in particular, severely punished all sorts of criminals according to the law through the specific operations of striking blows at smuggling, drug-trafficking, and so on, with a view to eliminating ugly phenomena and ensuring the smooth progress of economic construction.

The mass activities of building spiritual civilization kept on spreading far and wide and the pattern of creating civilization at multiple levels began to take shape. Throughout the province, we launched activities to initiate civilized units, build up civilized cities and towns, and create spiritual civilization with the joint efforts of soldiers, policemen, and civilians. We also carried out the "project of civilization corridor" through which a number of advanced units came to the fore. We conducted extensive activities to emulate Xu Honggang and other heroes and exemplary figures and carried out propaganda and education on socialism, patriotism, collectivism, professional ethics, and social morality among the broad masses, thereby raising the ideological and moral quality and the level of social civilization of the people of all nationalities.

8. The campaign opposing corruption and advocating honesty and the anticorruption struggle continued to be carried out in depth. The provincial government instituted a joint meeting system and adopted a series of powerful measures concerning the anticorruption struggle. In line with these measures, cadres above county section head level had to make strict self-examination in light of the new and old five-point rules set out by the central authorities and any of their actions which violated the stipulations were handled and corrected. We formulated many rules and regulations on opposing corruption and encouraging honesty by which we effectively checked such malpractices as making overseas tours using public funds, possessing and using

enterprise funds without compensation, arbitrarily setting up checkpoints, arbitrarily imposing fines, and arbitrarily collecting charges. Marked results were scored in screening and rectifying the practice of the use of auto number plates belonging to public security and armed police by irrelevant units and the use of above-norm cars by leading cadres. We abolished a number of charges which had been arbitrarily levied so that financial burdens were reduced for enterprises, institutions, and individuals amounting to nearly 400 million yuan. Of this, financial burdens of 260 million yuan were reduced for peasants. With the coordination of supervisory organs, pertinent departments checked and acted on 115 major serious cases and punishment was meted out to a number of corrupt elements.

9. Government organizational reform made smooth progress. The number of government departments under the provincial authorities was cut from 62 to 55 and their affiliated sections and offices, as well as the size of the staff, were reduced by 25 and 23 percent respectively. The work of fixing the organizational structure, functions, and staff size in setting up departments, directly subordinated work bodies, and administrative organs under the provincial government was basically completed, expediting the transformation of government functions and the enhancement of work efficiency.

Fellow deputies:

We have attained: Great achievements in economic development at a high speed; advances of reform in various aspects; continuous expansion of exchanges with the outside world; national unity; social stability; and consolidated border defense over the past year. These are all the result of concerted hard work and positive exploration achieved by the Army and the people throughout the province. On behalf of the provincial people's government, I extend my heartfelt thanks to the people of all nationalities, the vast numbers of cadres, the officers and men of the People's Liberation Army and the People's Armed Police, and to all the friends at home and abroad who have supported, helped, and shown concern about construction in Yunnan!

While affirming our achievements, we should soberly note that there are quite a few difficulties and problems on the road of advance. In the first place, commodity prices rose by too large a margin. The retail price index was the second highest in the entire country and, worse still, it rose by 16 percent on the basis of the sharp increases in 1993. In particular, the prices of grain, edible oil, meat, poultry, eggs, and vegetables, which are all closely related to the people's livelihood, increased too substantially, affecting the lives of the masses. In agriculture, although there was a comprehensive bumper harvest last year, the overall productive capacity was still low, the foundation was weak, and peasants' income was comparatively small. In industry and transport, a number of enterprises were confronted with funds shortages, stockpiles of products, serious losses, and relatively

poor economic performance, so that the actual incomes of staff and workers declined. There were also conspicuous problems in social security. These difficulties and problems have aroused our serious attention so we will take measures to solve them in a conscientious manner on the basis of conducting studies on specific subjects.

The Principal Tasks in 1995

This is the final year of the Eighth Five-Year Plan. Hence, doing a good job in comprehensively fulfilling the Eighth Five-Year Plan is of vital significance to the implementation of the Ninth Five-Year Plan and the realization of the second-step strategic objective. The guiding ideology of the provincial government this year is: Taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as our guide; adhering to the party's basic line; putting into effect the spirit of the Third and Fourth Plenary Sessions of the 14th CPC Central Committee and the central economic work meeting; further emancipating the mind, continuously holding fast to the work requirements of "seizing the opportunity, deepening reform, opening up wider to the outside world, promoting development, and maintaining stability"; appropriately handling the relations between reform, development, and stability; maintaining the sustained, rapid, and healthy development of the national economy; and promoting the progress of social undertakings in a comprehensive way. Our main tasks are: Intensifying macroeconomic regulation and control; getting the soaring prices under control; properly arranging the masses' lives; increasing agricultural input; comprehensively developing the rural economy; pushing forward various reforms with focus on the in-depth reform of state-owned enterprises; increasing the intensity of organizational readjustment; working hard to raise the quality and efficiency of economic growth; accelerating the development in educational, scientific and technological, and other undertakings; and fulfilling the various tasks in the Eighth Five-Year Plan in all fields of endeavor.

In light of the above guiding ideology and main tasks, we have put forward the principal targets of our national economic development in 1995 as follows: The GNP will increase by 10 percent; the total amount of social fixed asset investment will increase by 16.1 percent; the grain output will reach 11.5 billion kg to fulfill the target set in the Eighth Five-Year Plan by every possible means; the total revenue of township and town enterprises will increase by 40 percent or above; the local budgetary revenue will increase by 9 percent; the retail sales of social consumer goods will increase by 18 percent; the total volume of import and export trade will increase by 13.8 percent; the retail price index will be controlled below 13 percent; per capita net income for peasants will increase by 3 percent or more after allowing for price increases; and the natural population growth rate will be controlled below 14 per mille.

To achieve these targets, we should perform the following tasks conscientiously:

1. We should concentrate our efforts on agricultural production and enable township and town enterprises to maintain a rapid and healthy development.

Intensifying agriculture as a foundation and developing the rural economy in a comprehensive way is always the most important issue in our economic work. That is why our efforts should, on no account, be slackened even though we have had a bumper harvest. We must continue to increase agricultural input; guarantee the steady growth of grain production; attain comprehensive development in agriculture, forestry, animal husbandry, fishery, and sideline production; maintain the rapid growth of township and town enterprises; and increase peasants' income by a larger margin.

To put agriculture in the primary position, first of all we should increase input for which purpose our principal measures include: 1. We will resolutely carry out the "Agricultural Law," continue to increase the funds for supporting agriculture by a higher margin than that of recurrent financial income, and make proper arrangements for this year's outlay of supporting agriculture in the amount of 1.8 billion yuan, up 12 percent. The proportion of investment in capital construction in the province's overall financial planning will be raised from 13.1 to 14 percent and agricultural loans will also have a greater proportion in the total amount of newly increased loans. 2. We will ensure the availability of funds for supporting agriculture in a timely way. Financial departments at all levels should give priority to allotting funds for supporting agriculture and no units and departments should retain or misappropriate them.

3. We will increase material input into agriculture. Agricultural materials coordinating organs at various levels should be established and amplified to supervise the production, transfer, and supply of agricultural materials. We should vigorously organize the supply of chemical fertilizer. The production enterprises must sell chemical fertilizer under unified central planning to the state at fixed quotas as scheduled, while the operation units must strictly abide by the stipulations on prices and ensure supplies in good time. Positive efforts should be made to disseminate practical agricultural machines to gradually raise the level of agricultural mechanization. Preferential policies will be practiced in, and assistance given to, the units engaging in the production and operation of the means of agricultural production, to create conditions for increasing material input into agriculture. 4. We will earnestly implement the "Methods for Disseminating Agricultural Techniques," raise the proportion of funds used to boost agricultural science and technology, amplify the networks for disseminating agricultural science and technology, and encourage agricultural scientists and technicians to be contracted on the first front. In the meantime, we will give positive guidance to peasants and the rural collective economic sector in increasing their labor accumulation and fund input and take various forms to enlarge the scope and amount

of foreign capital used in agriculture. In short, agricultural input should be actually increased through the efforts of various quarters.

Readjusting the structure of production and increasing effective supply are major tasks for agricultural production this year. We will continue practicing various preferential policies and take firm control of grain production across the province. In particular, we will ensure the implementation of the main measures for increasing output of main crops in the main producing areas. We will build commodity grain bases properly and raise the number of base counties from 38 to 47, so that they will provide more commodity grain to the state. Taking comprehensive implementation of the plan for bumper harvests as a dragon head, we will conduct the work to demonstrate and disseminate various kinds of newly developed fine varieties and actively popularize the key measures for increasing agricultural output such as the combined strain of rice [he xi shui dao 0678 4762 3055 4470], hybrid rice, hybrid maize, and the highly efficient growth regulator for plants, to increase grain output and enhance grain quality on the foundation of scientific and technological advances. We will adopt incentive measures to promote the production of oil-bearing crops. In the meantime, we will arouse peasants' enthusiasm in developing a diversified economy in light of market demands, step up the production of cash crops, expand the acreage growing sugarcane in the warm areas and cured tobacco in areas where the climate is suitable and vigorously boost the planting of flowers for export in the areas where the conditions exist. We will rationally explore and utilize the natural resources of forestry and animal husbandry, expedite economic development in the mountainous areas and, particularly, we will make greater strides in the production of economic forests, fruits, and pertinent processing industries. We should further optimize the agricultural production structure through several years of hard work.

We will continue to intensify capital construction in agriculture for which we will increase 1 million mu of cultivated land with high and steady yields, pay particular attention to the 36 large and medium water conservancy construction projects under provincial planning, and properly grasp a number of medium and small irrigation facilities to be constructed by various prefectures and counties. This year, special funds of 24 million yuan will be allotted for the construction of irrigation works in mountainous areas across the province. Efforts will be made to protect forest resources and do a good job in afforestation as well as water and soil conservation. We should follow the road of developing ecological agriculture, enhance rational planning and strict management in the use of land, conscientiously protect cultivated land, screen the land that was arbitrarily occupied, and return farmland to peasants if it has not been developed two years after it was taken over by relevant authorities.

Serious attention should be paid to the comprehensive regional development in agriculture. This year, while

continuing the comprehensive agricultural development in southwestern Yunnan, we will concentrate our efforts on the preparations and activation for the comprehensive agricultural development zone along the middle reach of the Jinsha Jiang. Relevant prefectures and counties should include their comprehensive development projects into the overall planning for industrial development and various departments at provincial level should closely cooperate with the local authorities in study and implementation.

Vigorously boosting township and town enterprises is the crux to accelerating rural economic development, optimizing the rural industrial structure, and increasing peasant incomes. We should put into effect the guidelines of the provincial township and town enterprise work meeting, held last November, in a comprehensive way; adhere to the principle of "emancipating the mind, giving a free hand to the development of township and town enterprises, and enthusiastically offering help to them to bring about an energetic growth"; and resolutely carry out various policies and measures with a view to further developing township and town enterprises at a high speed and repeatedly enhancing their economic results, social benefits, and ecological effects. Further efforts should be made to perform the following tasks well: 1. Deepen our understanding, genuinely take the development of township and town enterprises as a strategic key point of the rural work, and reinforce leadership so that principal leading cadres will be personally responsible for this work. 2) Draw up development plans by accurately selecting the development path, taking market direction as a guide, and basing ourselves on local resources that hold a superior position. 3. Continue taking measures to give assistance to township and town enterprises under which financial departments at provincial level will arrange an additional 10 million yuan as discount interest for loans provided to township and town enterprises this year, the proportion of circulating funds for supporting agriculture placed on township and town enterprises by financial departments at various levels should not be lower than 60 percent and the various financial institutions should also increase their loans to township and town enterprises.

4. Encourage the mutual development of the multiple economic sectors so that economic development is "driven by multi-wheels." 5. Deepen reform and vigorously push forward the joint-stock system. 6. Do a good job in technical training and the cultivation of talented personnel, improve management, and raise the quality of the enterprises. 7. Encourage cadres and scientific and technological personnel to run, or jointly run, township and town enterprises and support the association and cooperation between these enterprises and colleges, universities, and scientific research institutes. 8. Strive to run some enterprises with high starting points, new technology, large scale, and good economic results in places where the conditions exist and then proceed to develop an export-oriented economy in these enterprises.

Rural reform must be continuously deepened. We will persistently practice the contract responsibility system on a household basis with remuneration linked to output, improve the management system in rural areas in which unified management is combined with separate management, and give a free hand to developing individual and private economies. We should conscientiously carry out "Several Stipulations by Yunnan Province on the Compensatory Development of Barren Hills" formulated by the standing committee of the provincial people's congress, quicken the pace of compensatory transfers of the rights to develop barren hills and uncultivated slopes, as well as ditches and water sources which lie waste, and positively develop the green industry. On the basis of independent operations by the masses, we will exploit the functions of the collective economy in organizing, coordinating, and servicing production. Vigorous efforts will be made to develop economic entities characterized by integrating cities with villages, science and technology with economics, openness with development, agriculture with industry and commerce, and technology with industry and trade. We will further reform the circulation area of agricultural products and gradually build up a relatively stable relationship in grain purchases and sales with the establishment of wholesale markets as a core. We will actively set up various kinds of peasants' specialized associations, lead the peasant households with decentralized operations into the market, promote mutual aid and cooperation among peasants, and enhance the organizational ability of peasants' self-service and self-management. We will continue to strengthen the building of a rural socialized service system, incrementally institute the rural insurance system, and further implement various measures to reduce peasants' burdens.

2. We should firmly and properly grasp production in industry and transportation, focusing on the enhancement of quality and efficiency of economic growth.

Enhancing the quality and efficiency of economic growth is the core content and main subject of the strategic changes in economic development and this has a bearing on the overall situation of the sustained, rapid, and healthy growth of the national economy. It is necessary to maintain a higher development speed in the production of industry and transportation in the province and it is all the more necessary to seriously heed the enhancement of quality and efficiency and to follow the development road of small input, large output, good quality, low consumption, and high efficiency. First, the activity to "bring about changes in mechanism, pay attention to management, improve internal operations, and raise efficiency" should be thoroughly conducted in industrial and transport enterprises, to achieve good results through proper management. We should conscientiously practice the "Standards of Yunnan Province on the Management of Industrial Enterprises," tighten internal control, do a good job in building leading bodies, and raise the management level in a comprehensive way. Second, the product mix must be positively adjusted. We

should persistently cater to the needs of both the domestic and international markets and support the production of goods in great demand which are readily marketable and with good profits in terms of funds, transport, energy, raw and semifinished materials, and so on. We should also strive to make greater headway in enhancing the degree of intensive product processing and limit, change, or suspend the production of poor quality, high consumption, overstocked, slow selling, and environment polluting products. Third, the intensity of technical transformation should be increased. Beginning this year, we will raise the proportion of investment in technical transformation in the fixed-asset investment year by year. The venture capital for imports should be founded and used in supporting enterprises in their importation of advanced foreign technology and facilities. We will further promote the association of factories, schools, and scientific research units; augment the ability of enterprises in developing new products; and accelerate the transformation of new hi-tech achievements into practical productive forces. Fourth, the "plan to assist loss-making enterprises" should be carried out further. Last year, the provincial government raised 180 million yuan, which was injected into the funds for assisting 49 projects engaged in by 38 enterprises, so that 24 enterprises turned from deficit to surplus. This year, the government will raise another 180 million yuan, adopt the method of taking responsibility at different levels, and help a number of enterprises hopeful of eliminating deficits extricate themselves from the predicament as quickly as possible. Fifth, the thorny problems in the production of industry and transportation should be solved conscientiously. We will strengthen the monitoring and forecasting work to solve the problems which crop up in economic operations in a timely manner. The market demand and supply for major commodities that have a bearing on the national economy and the people's livelihood should be properly coordinated, with the emphasis placed on the linkage of production to marketing in coal, power, transport, and bulk commodities. We will help enterprises to settle their "debt chains," reactivate their capital, and use it appropriately, to ensure the capital demands of enterprises producing marketable products and making good profits. Serious attention should be paid to production safety, remove hidden dangers in good time, guard against the occurrence of grave accidents, and protect the people's lives and property.

3. We should maintain a moderate investment scale and continue to reinforce the key construction projects.

Reinforcing key construction, laying a sound foundation, and augmenting the reserve strength for development are the essential contents of our Eighth Five-Year Plan and the major measures for maintaining a sustained, rapid, and healthy development. Under the tension of financial resources, we must strictly control the newly started and general projects and concentrate our energy on the key points. This year, the province will

arrange 42 key construction projects—34 of capital construction and eight of technical transformation—with a total investment of 8.989 billion yuan. Most of them are extended construction projects in the areas of transport, energy, water conservancy, and so on. With regard to the key construction projects, we must fight a battle of annihilation with concentrated efforts to shorten the time limits for the construction, raise investment results, and try by every possible means to guarantee that 12 of them will be completed and put into production within the year. The transformation of Shilin-Xinshao Highway must be completed and the building of the Kunming-Qujing Expressway must be speeded up to ensure the fulfillment of upgrading the trunk lines in the central Yunnan region. We will strive to begin constructing the first class highway between Chuxiong and Dali and expedite the pace of transforming the Kunming-Wanding Highway and the Kunming-Daluo Highway which lead to Southeast Asia, in a bid to lay down a sound foundation for upgrading the trunk lines to first class highways throughout the province. We will step up the construction of the Nanning-Kunming Railroad and the Guangzhou-Dali Railroad as well as the transformation project to electrify the Chengdu-Kunming Railroad; complete the construction of eight airports in order to form an air freight transport network within the province; complete the first large hydropower station on the Lanchang Jiang; strive to start the construction project for the Dachao Shan Power Plant, to enable the western Yunnan region to become a hydraulic power production base as quickly as possible; and complete the Wulichong Reservoir in Mengzi ahead of schedule, accelerate the construction of Yudong Reservoir, and strive to start constructing the Chaishitan Reservoir, to lay a foundation for considerably improving the conditions for agricultural production. The pollution caused by Tianchi Lake must be rectified. This year, we will complete the crucial project of Xiyuan Tunnel and the project of Kunming No. 6 Water Supply Plant capable of supplying 200,000 cubic m of water each day. The core project of the Yunnan Provincial National Museum will be completed and put to use as scheduled. In the meantime, a number of chemical fertilizer plants, power plants, mines, and cigarette producing enterprises will undergo technical transformation in a bid to raise the level of equipment and increase their productive capacity. We will continue carrying out the plan to restore production and develop the economy in the former war zones. In order to fulfill the tasks in the key construction projects, we must pool funds from multiple channels and see to it that funds are in place in a timely fashion. Investments arranged by provincial financial departments must be allocated in accordance with the amount and time stipulated and loans granted by banking departments must be paid without delay. Enterprises which call for social funds must raise them in advance. Meanwhile, they must strive to obtain financial support from the central authorities and make use of foreign capital more positively. We will practice a legal person responsibility system in respect of the key construction projects, so that

they are meticulously planned and budgeted and their construction quality and progress are guaranteed. Various localities and departments must show concern for and give support to the key construction projects and create conditions in the areas of requisition of land, demolition and removal of old equipment, and so on, to accelerate the construction. The provincial government will hold a key construction work meeting and adopt effective measures to promote the smooth progress of the key projects.

4. We should deepen economic structural reform with stress on reform of state-owned enterprises and make further efforts to run large and medium state enterprises effectively.

The overall objectives of economic structural reform in our province this year are: To take the in-depth reform of state-owned enterprises as a focal point; push forward various coordinated reforms, including social insurance system reform and others; cultivate a market system; and solidify and perfect the various reform measures in macroscopic management which have already been introduced. The basic tasks of enterprise reform are: To take the separation of government functions from those of enterprises as a central link, positively push forward the coordinated reforms, further transform operational mechanisms, institute a modern enterprise system, and enable the state-owned enterprises to genuinely become legal person entities and market main bodies characterized by independent operation, assumption of sole responsibility for profits and losses, self-development, and self-restraint, in a bid to lay down the foundation for the establishment of a socialist market economic structure. Concretely speaking, we should perform our work well in the following eight aspects:

1. We will continue to practice the laws and regulations, including the enterprise law and the regulations on transforming operational mechanisms in enterprises, and so on; further exercise enterprises' decisionmaking power; promote the transformation of operational mechanisms; and gradually establish an incentive mechanism and restraint mechanism. Experiments will be made in the authorized operations of state assets and measures will be taken to tighten supervision and control of state assets so that their value will be preserved and multiplied.

2. We will take pains to organize pilot units for the institution of a modern enterprise system. Throughout the province, 100 industrial and commercial enterprises will be selected for the experiments. We will form investigation and study teams comprised of 1,000 cadres with practical work experience and theoretical ability, who will be transferred from departments at provincial level, prefectures, autonomous prefectures, and cities, to conduct thorough investigations and studies in enterprises, help them sum up experience, and push forward their in-depth reform and economic development. Work will be undertaken to standardize the existing joint-stock companies and bring about a gradual transition in the establishment of a modern enterprise system.

3. We will separate government functions from those of enterprises. Government departments at various levels should no longer assign mandatory plan tasks to the enterprises designated as pilot units. The procedures of examining and approving joint-venture enterprises, capital construction and technical transformation projects, and so on should be simplified. Relevant departments should return powers to enterprises as soon as possible. In future, the administrative functions of government departments will primarily be the formulation and implementation of policies for macroeconomic regulation and control and the change from micro to macro management, from direct to indirect management, and from management by departments to management by trades will be genuinely achieved.

4. The intensity of social insurance system reform will be increased. We will start with social insurance, take the reform of the old-age and unemployment insurance system as a breakthrough point, give equal consideration to reform of the systems regarding medical treatment and industrial injury, do a good job in comprehensive coordination, and further improve the method of combining the overall planning of society with the accounts of individuals.

5. The problem of excessively heavy debts incurred by old state-owned enterprises should be settled incrementally. We will take realistic measures to settle the various kinds of debt, including old debts accumulated for a long time, debts which were incurred after allocation of funds was changed into loans, interest accrued on loans granted as circulating funds, and so on, in accordance with different conditions in order to increase enterprises' vitality.

6. The issue of "enterprises running social undertakings" should be seriously probed and dealt with appropriately. The supplementary organs and service units subordinated to enterprises should be gradually separated from enterprises themselves and advance toward society. In localities where the conditions exist, enterprises' subordinated units of a welfare nature should be put under the management of local governments.

7. Enterprise groups should be vigorously developed. In tobacco production, material supply, machine building, and other areas which hold advantageous positions, exploration will be made to form some large enterprise groups in order to promote optimum organization of production factors.

8. Reform in small state-owned enterprises should be further expedited. We will adopt flexible and diverse asset operation forms and practice state-owned people-run, joint-stock system, or the system of transformation through grafting on foreign capital in these enterprises. Some insolvent and loss-making enterprises will be closed down, suspended, merged, transferred, or sold. Some enterprises with better performance will also be sold by action.

9. While seriously carrying out enterprise reform, we will further intensify macroeconomic regulation and control, continue to carry out tax system reform, and seriously resolve the problems which crop up in practicing the value-added tax. We will positively explore the establishment of a local tax system in our province. The provincial authority will continue practicing a transitional financial system in various localities. Meanwhile, in the principle of giving consideration to the interests at various levels and mobilizing the initiative from various quarters, we will make further efforts to conduct investigation, study, and program calculation for the revenue-sharing system to ensure the smooth implementation of the new structure. We plan to set up the Agricultural Development Bank of Yunnan Province and some local development banks. At the same time, we will make experiments in a positive attitude to set up urban and rural cooperative banks in an effort to attain greater progress in banking reform this year. We will also establish the Yunnan Provincial Investment Company, accelerate the reform of planning and investment structure, and perfect the province's macroeconomic regulation and control system.

5. We should resolutely control the overly rapid price rises and repeatedly enhance the people's living standards.

Checking price increases is a task of primary importance in exercising macroeconomic regulation and control this year. We must conscientiously carry out various measures adopted by the central authorities and the State Council on the intensification and perfection of macroeconomic regulation and control. To this end, we should seek unity in thinking, strengthen leadership, and improve management, with a view to controlling the retail price increases below the planned targets.

1. Efforts should be made to boost production and improve the condition of supply. We should pay serious attention to the production of daily necessities which are closely related to the people's lives, particularly to the production of grain and nonstaple food, because their prices have climbed up sharply and have affected the price increases of other commodities to the greatest extent. We will increase input into the production bases for commodity grain and various kinds of agricultural and sideline products and build the "rice bag" and "shopping basket" projects more effectively. Policy will be formulated to promote the production and procurement of pigs and oil-bearing crops, in order to reach the targets of producing 1.2 million tonne of meat and 180,000 tonne of edible oil this year. Various preferential policies to support agricultural and sideline production should be genuinely practiced to boost production and increase supply.

2. We should exercise the roles of state commerce and supply and marketing cooperatives as main channels. Grain departments must do a good job in purchasing, transferring, and storing grain and edible oil to ensure market supply. State commercial and material supply

departments must pay serious attention to the supply of major commodities which have a bearing on the national economy and the people's livelihood. We will incrementally institute and amplify a system for the storage of major commodities including grain, meat, sugar, and so on, and take effective control over the supply of "leading" products. Meanwhile, we will vigorously organize the supply of industrial products in rural areas to enliven rural markets.

3. It is necessary to rectify market circulation order and standardize price behavior. We will study and formulate a plan to regulate and control the overall level of commodity prices, establish and perfect a price regulation and control system and emergency mechanism suited to the market economy, and avoid prices from soaring or slumping. State commerce and supply and marketing cooperatives must take the lead in maintaining price order, abide by the stipulations on price regulation, strictly put into practice the system of marking prices explicitly according to their actual value, and focus on tightening price control over the areas of agricultural materials, petroleum oil, medicine, real estate, and so on. It is particularly necessary to strictly check the price increase of chemical fertilizer to genuinely protect peasants' interests. We will formulate and perfect various stipulations against reaping staggering profits, creating monopolies, and practicing fraud; intensify supervision and examination of prices; identify and deal with acts in violation of the law with regard to prices; and give full play to the mass organizations and public opinion in cracking down on the activities of producing and selling inferior and fake goods, as well as deceiving the public and monopolizing the market, to protect consumers' legitimate rights and interests.

4. The excessively rapid growth of consumption funds should be checked. We should correctly handle the relations between the state, collective, and individuals; effectively stop turning state-owned assets into personal income; control the actual average growth of workers' income below the growth level of enterprise productivity; resolutely restrain the tendency to blindly increase personal income and group consumption in some units; strictly restrict consumption of public funds; and seriously identify and deal with acts of squandering state property. In the areas of production, construction, circulation, and consumption, it is necessary to practice frugality, oppose waste, and develop the spirit of working arduously and running all undertakings in an industrious and thrifty manner.

While developing production, raising economic results, and curbing commodity prices, we will incrementally increase the people's income, repeatedly enhance the living standards of the masses, and let peasants gain more actual benefits through various measures including boosting the economy, invigorating circulation, narrowing the scissor's difference between industrial and agricultural products, reducing peasants' burdens, and so on. We should pay serious attention to and show concern

for the lives of the people living in impoverished areas, disaster victims, low-income employees, and workers and staff members of enterprises bogged down in financial predicaments, and take the initiative in helping them overcome practical difficulties. Moreover, we will lose no time in carrying out the "project for living in peace and comfort" and fulfill the construction plan of building 1.5 million square m of houses which are both economical and practical, to gradually resolve the housing problem of families living in dangerous or difficult conditions.

6. We should seize opportunities and open wider to the outside world.

Along with the repeated deepening of reform and rapid development of the economy, China has increasingly become a key region for investment and trade in the world and this has provided a favorable opportunity for our endeavor of opening wider to the outside world. We must exploit our advantages, ameliorate the environment, and perform our work well, so that our work of openness can be raised to a new level.

Efforts should be made to increase exports for earning more foreign exchange. We will fully mobilize the initiative of various quarters in production and operation, conscientiously run export commodity bases, organize more goods supplies, and continue to maintain the growing momentum of exports under the precondition of stressing economic results. To suit the requirements of the international markets, we will adjust and optimize the structure of export commodities, incrementally raise the proportion of the exports of manufactured goods, positively pool and appropriately use the agricultural development funds for creating foreign exchange, and pay particular attention to the development of a number of high grade plants including vanilla, flowers, blue green alga, and so on while continuing to support the production of original superior products. We will continue expanding the operational powers for imports and exports and see to it that the number of units possessing operational powers for imports and exports reaches 100. We will reinforce management and coordination to enhance the operational efficiency in foreign trade, deepen reform in foreign trade enterprises, and enable them to become industrialized, internationalized, and diversified enterprise groups, with some of them being developed into transnational corporations. In the meantime, we will pay serious attention to importing advanced equipment and technology from abroad to quicken the transformation of the existing enterprises.

We should work hard to maintain the development momentum of border trade through the following measures: 1. Effectively using the existing preferential policies for promoting foreign trade which were promulgated by the state and province, positively organizing goods supply, and increasing the total trade volume. 2. Properly combining domestic trade with foreign trade, running the border economic cooperative zones and processing zones well with materials supplied from and

products sold to foreign countries and expanding markets for border trade. 3. Practicing the policy of winning victory by good quality; pushing more famous, special, and quality products into border trade markets; tightening supervision over the quality of border trade commodities; and enlarging the market share in border trade. 4. Promoting the appropriate scale of operation of border trade enterprises to enhance their competitive capacity. 5. Rectifying the order in border trade markets and working out effective management regulations to create a fine environment for border trade development.

Diverse forms should be adopted to import and utilize foreign capital in a positive way. In line with the new tax system and the state's reform measures, we will step up the revision of the relevant stipulations on encouraging foreign investment in our province and formulate industrial policies to guide the direction of foreign investment.

The focus of importing foreign capital will be shifted to quality and scale and efforts will be made to facilitate the establishment of several imported projects with an investment of about \$100 million each in the construction of power plants and highways, development of mines, transformation of large enterprises, and so on. We will further broaden the channels for importing foreign capital, positively utilize the funds provided by international financial organizations and loans granted by foreign governments, and strive to make greater progress in compensation trade and international leasing. Procedures should be simplified to raise work efficiency and management over, and services to, foreign-invested enterprises should be intensified. Beginning this year, all foreign-invested projects within the amount limit and in tune with the state's industrial direction no longer need to submit feasibility reports for examination and approval.

We should seize the opportunity of implementing the open-door strategy in the border areas to do a good job in foreign economic and technological cooperation, take an active part in subregional cooperation between the Lancang Jiang and the Mekong River, increase the intensity of economic cooperation with neighboring countries, encourage and support enterprises with adequate conditions to run businesses overseas, and sign contracts with foreign countries for the construction of overseas projects and the export of labor services.

We will further enlarge our contacts with the outside world. While continuously enhancing friendly exchanges with Southeast Asian countries, we will get into closer contact with other countries and regions in the world, to let more foreign friends acquire a better understanding of Yunnan. This year, we will again receive officials from scores of foreign embassies in China, coming to our province for observation. We will also send delegations or groups to visit other countries. As Yunnan is the fifth largest native place for Overseas Chinese in the country, we will further exercise the role of the returned Overseas Chinese and their relatives as bridges in contacting

Chinese nationals residing abroad and foreign friends in a bid to quicken the pace of opening to the outside world.

We will vigorously boost the tourist trade and take a giant stride in building Yunnan into a province of tourism. In developing tourism, we should explore new scenic spots while transforming the old ones. At the same time, we should properly set up a coordinated service network, earnestly put into practice the program of establishing a tourist zone in northwest Yunnan, and properly carry out the program of developing the Karst region in eastern Yunnan and the tourist resources in southern Yunnan. We will encourage domestic and foreign enterprises as well as enterprises from Yunnan and other provinces to make investment in tourism. In a bid to raise the tourism level, the provincial government has decided to launch a "Management, Service, and Quality Year of Tourism" this year and strive, by every means, to build a number of standardized, high-quality tourist spots and practice a risk guarantee fund system in travel agencies to repeatedly enhance the economic results of tourism.

By seizing the opportunity of industrial structural readjustments throughout the country, industrial transference in the eastern coastal region, and the reorganization of the patterns of productive forces, we will further expand our openness at home; vigorously promote economic and technological association and cooperation with various provinces, municipalities, and autonomous regions, particularly with the provinces and cities in the eastern coastal region and the four provinces and autonomous regions in southwestern China; rationally select and accept industries transferred from the coastal region; promote the association of enterprises at a high starting point between those of our province and the coastal region; and do all we can to establish 1,000 or more cooperative projects in and outside the province this year.

7. We should carry out the plan to tackle key problems in helping 7 million people shake off poverty during the final seven years of this century and accelerate economic development in the impoverished areas.

This is the second year since we started implementing the above plan and there are still more than 6 million poor people in our province. The task of helping the poor is arduous and the situation is pressing. We must increase the intensity of implementing the said plan, concentrate our energies on practicing various measures, work hard to initiate a new situation in help-the-poor work throughout the province, and strive to resolve the problem of providing adequate food and clothing to 1 million poor people this year.

Continuous efforts should be made to complete the deployment of helping the poor and developing the local economy one region after another, give assistance to 73 impoverished counties in making more feasible plans to tackle the key problems in helping the poor as quickly as possible, and arrange one or two key projects in each impoverished county which can exercise a major role in eliminating poverty with the concerted efforts of the

provincial, prefectural, and county authorities. Positive support should also be given to the impoverished villages in counties which are not so poor. In developing the economy in these localities, we will concentrate the development on a whole stretch of land, successively put funds into it, and give priority to helping select and establish a number of projects characterized by an adequately large scale, wide coverage, small input, high efficiency, and quick returns, those of the processing industry in particular, to produce results as quickly as possible. We should energetically help impoverished areas improve their irrigation conditions; expedite construction in the fields of transport, power, posts, and telecommunications; and gradually build up highway, power, and telephone facilities in all impoverished townships and administrative villages with rural bazaars to steadily solve the problem of having adequate food and clothing and then create the necessary conditions to eliminate poverty and head toward moderate prosperity. It is even more necessary to emancipate the minds and vigorously develop the collective, private, and individual economies in the impoverished areas. We should encourage the development of economic entities which will play the demonstration role and which will contribute to the work of helping the poor.

Relevant departments at the provincial level should be linked up with the work of helping the poor in certain localities and work out plans for this purpose, sending cadres to the counties which have been designated to them. The linkage should not be released before poverty is eliminated in these localities. We will give full play to the role of scientific research units, universities, and various democratic parties, encouraging enterprises and individual industrial and commercial sectors to participate in giving assistance to the impoverished areas in their economic development. The provincial government will commend and award the departments, enterprises, and relevant personnel which have made outstanding achievements in helping the poor.

8. We should accelerate the development in education and science and technology and bring about a comprehensive advance in various social undertakings.

The key of elevating the quality and efficiency of economic growth and accelerating the process of modernization lies in vigorously promoting scientific and technological advances and enhancing the quality of laborers. We must adhere to the principle of "taking education as a foundation and invigorating Yunnan on the strength of scientific and technological advances," genuinely give priority to the development of education and science and technology, and place this in a strategic position. The provincial government has decided to raise 4 billion yuan for over 30 social development projects with emphasis on education and science and technology between now and 2000, with a view to promoting the coordinated development of the economy and of various social undertakings.

Development of the educational undertakings must be combined with the actual conditions in our province. We must seriously put into effect the spirit of the "Outline of Educational Reform and Development in China" and that of the provincial education work meeting. Basic education should be placed in a prominent position, and serious attention should be paid to basically popularizing nine-year compulsory education and eradicating illiteracy among young and middle-aged people. In line with the principle of making plans and providing guidance according to different conditions in different regions, we will further carry out the plan to popularize nine-year compulsory education in counties and townships. This year, we will complete the work of increasing the numbers of junior secondary schools and senior primary schools in 63 border, ethnic minority, and impoverished areas; popularize nine-year and six-year compulsory education in eight and 18 more counties respectively; and eradicate illiteracy among 300,000 young and middle-aged people. We will continue to carry out the "Hope Project" to help uneducated children go to school, vigorously develop vocational and technical education and, through training at post-primary school, post-junior secondary school, and post-senior secondary school levels, bring up large numbers of junior and intermediate qualified personnel. We will further run adult education in a proper way. Agricultural technical schools of various kinds and at various levels throughout the province will train 3 million people. We will run tertiary education well through persistently stressing self-improvement and making the most of the existing facilities. The assessment and establishment of the Yunnan University "211 Project" should be properly organized. We will adopt special measures to continuously develop education for minority nationalities and set up the provincial nationality secondary school. In carrying out in-depth educational structural reform, we will continue to perfect the structure of running schools and exercising management at different levels in basic education and readjust and clarify the responsibilities for basic education under the management of counties and townships. Under the overall government planning, vocational and adult schools should be primarily run by the trades, enterprises, and institutions, or social organizations, or jointly run by various social sectors, with appropriate financial support from the government. We will continue to deepen reforms of tertiary education in the areas of schooling structure, management structure, teaching materials, and teaching methods; positively push forward reforms of the recruitment and employment systems; suitably increase the number of self-supported students; and positively perfect the coordinated measures for the provision of scholarships and student loans and the practice of the part-work, part-study system, and so on. Government macroscopic regulation and control over education should be tightened and supervisory bodies should be strengthened. We will persist in combining education with productive labor, pay serious attention to moral education, and work hard to cultivate

constructors and successors of the socialist cause who will develop morally, intellectually, and physically in a comprehensive way.

This year, the principal tasks in science and technology are: Having a proper grasp of agricultural science and technology, helping the poor through scientific and technological progress, pushing forward scientific and technological development, and cultivating the new high technology industry, to bring about further emancipation and vigorous development of the productive forces on the strength of scientific and technological advances. In line with the principle of "stabilizing one end while relaxing control of the whole," we will deepen reform of the scientific and technological structure, further promote structural readjustment and personnel diversion, and expedite the integration of economics with science and technology and the industrialization of scientific and technological achievements. By centering around the readjustments of economic structure, industrial set-up, and product mix in our province, we will define the focal points of scientific research, key projects, and measures for implementation. This year, we will carry out 166 items of applicable basic research, 16 large items containing 104 subjects on tackling key scientific and technological problems, 39 "spark programs," 14 "torch programs," 11 items on achievement dissemination, and 60 rural experimental and demonstrative programs. We will positively develop the new hi-tech industry focused on new materials, biotechnology, and the integration of machinery, optics, and electronics; step up the construction of key laboratories and neutron experimental bases; run the Kunming New Hi-tech Industrial Development Zone effectively; and give a free hand to the development of local-run science and technology.

It is necessary to intensify the awareness of intellectual property right protection and take proper control of the work to protect intellectual property rights in the areas of audio-visual products, patents, trademarks, and so on. Meanwhile, we should do a good job in the research of soft science to help enhance the quality of the policy level and economic growth and energetically reinforce the work of popularizing science and technology to repeatedly enhance the scientific and technological standards of the people of all nationalities.

We will thoroughly practice the basic national policy of environmental protection, further intensify unified supervision and control, and mobilize the forces of all social sectors to protect the environment. We will raise funds from various quarters to harness the Tianchi Lake, reinforce the protection of water areas and the rectification of key industrial pollution sources, continue to build the "Chang Jiang Protection Project," strengthen the management of natural preserves and the diversified protection of living things, and strive to fulfill the objectives of environmental protection in the province during the Eighth Five-Year Plan.

We will enthusiastically develop public health undertakings, continue to practice the principle of "placing prevention in a dominant position," vigorously conduct the mass patriotic health campaign, prevent and cure endemic and infectious diseases, and strictly control highly contagious diseases. The focal point of medical and health care work should be placed in rural areas. We should positively practice the rural cooperative medical system, promote primary health care, and hasten to overcome the shortage of medicine and doctors in border, mountainous, and minority areas. We should pay particular attention to the health care for women and children, take the development of traditional Chinese medicine seriously, and popularize the medicine and art of healing applied by minority nationalities. Public health departments and their affiliated organs across the province should penetratingly conduct education on medical morality and style, further enhance medical standards, and improve their attitude in providing services.

In order to control population growth and raise population quality, we should conscientiously put into practice the "Regulations of Yunnan Province on Family Planning"; combine family planning with economic development, the endeavors to shake off poverty and become rich, and the building of civilized families; intensify population awareness and the per capita concept; energetically encourage prenatal and postnatal care; strictly control the birth of more than one child per family; and tighten management over childbearing within the floating population. We will positively improve the conditions for family planning work, amplify the service network, continue to practice the target responsibility system on population and family planning, and put it into effect at different levels so that the population growth will be controlled within the planned target through hard work.

Mass sports activities will be continuously conducted and the "keep-fit program among the entire people" will be carried out to repeatedly enhance the athletic level in the province. We will make proper preparations for hosting the Fifth National Minority Nationality Games in Kunming and strive to make this sports meet a grand event for strengthening national unity and developing the sports undertaking of the minority nationalities.

9. We should persist in doing "two types of work simultaneously with equal importance attached to both" and continue reinforcing the building of spiritual civilization.

As various reforms will continue to deepen this year, we must conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, put into effect the guidelines of the national and provincial propaganda and ideological work meetings, and fulfill the tasks for building spiritual civilization at the grass-roots level. We will positively conduct mass activities in diverse forms, with healthy contents, and in a lively atmosphere and infiltrate the education on socialism, patriotism, and collectivism into them to

bring up more people with lofty ideals, moral integrity, a good education, and a sense of discipline, who are armed with scientific theory, guided by correct public opinion, imbued with noble spirit, and encouraged by fine artistic works. Further efforts should be made to intensify ideological and political work; foster correct ideals, outlook on life, and value concept; and to oppose money worship, pleasure-seeking, and ultra-individualism to guard against the erosion from corrupt capitalist and feudal ideology. We will thoroughly launch activities to emulate Lei Feng and other heroes, highly commend the advanced units and individuals on various fronts to arouse their socialist initiative and creativity, continue to conduct the founding of civilized units, squads, groups, counties, and villages, and raise the building of spiritual civilization to a new level according to the requirements for standardization on a certain scale in a systematic way.

We should always adhere to the orientation that cultural undertakings must serve the people and socialism and the principle of "letting a hundred flowers bloom and a hundred schools of thought contend," to develop the fine culture of the Chinese nation. We should seriously organize implementation of the "project for exquisite cultural works" and the "project of national culture," vigorously explore and use the fine cultural resources to bring about flourishing cultural creation, and work hard to produce more excellent artistic works for the country. We will make the best of our time to build the 1,000-li long corridor of border culture and make proper preparations for the convocation of the national on-the-spot meeting on building the 10,000-li long corridor of border culture in our province this year. Further efforts should be made to straighten out the cultural structure, clarify responsibilities, and tighten the management of cultural markets. We must continue to wage the struggle of "eliminating pornography and cracking down on illegal publications" to purify the cultural markets, perfect cultural and economic policies, and stick to the principle of paying equal attention to social effects and economic results, with stress on the former, to energetically develop the cultural undertakings. We must conscientiously salvage and protect historical and cultural relics.

Starting this year, we will build a number of small medium-wave frequency-modulated radio stations, step up the construction of radio stations in eight autonomous prefectures inhabited by ethnic minorities, fulfill the task of rebuilding 1,500 satellite ground receiving and relaying stations, and further raise the coverage rate of broadcast listeners and television viewers. Efforts should also be made to enhance the quality of radio and television programs and create more programs propagating the theme of our times and reflecting our national style and features to satisfy the requirements of the masses of various nationalities.

10. We should pay serious attention to the building of a democratic legal system and do a good job in the comprehensive management of public security.

Governments at all levels should consciously accept supervision from the people's congresses and their standing committees at the same levels, fully exploit the strength of the CPPCC, positively take the initiative in cementing closer ties with various democratic parties and people without party affiliation, and create the necessary conditions for them to participate in the deliberation and administration of state affairs and to exercise democratic supervision. We should support the work of mass organizations including the trade unions, the Communist Youth League, the women's federation, and so on, firmly rely on the working class and the broad masses, listen extensively to their opinions, accept various kinds of good suggestions, and promote a democratic and scientific way for policymaking to repeatedly improve government work and do a good job in the drive for socialist modernization. We must strengthen the democratic building in grass-roots units, amplify the enterprise workers' democratic management system, and genuinely safeguard the democratic rights of the people. The masses' letters and visits should be properly attended to. We should intensify the building of the ranks responsible for administration and law enforcement as well as for government legal work, train a large number of qualified law personnel, continue to conduct education on popularizing the law among leading cadres at various levels and the people of various nationalities, raise the consciousness for studying and abiding by the law, and reinforce and improve the supervisory work in administration, law enforcement, and auditing.

We must stick to the principle of severely cracking down on crime and keeping a close watch on it, increase the intensity of dealing heavy blows to serious criminals and those committing economic crimes and, in particular, strike at the criminals involved in drug and weapon trafficking as well as those abducting and selling women and children, hooligans, evil forces, railroad bandits, highwaymen, and so on, ruthlessly and quickly according to the law. We must tighten security and take precautions, persist in combining special organs with mass work, reinforce the building of grass-roots organizations in charge of security protection and mediation, conduct mass prevention and rectification in various forms, and persevere in taking firm control of the comprehensive management of social security to further maintain social stability.

11. We should conduct thorough and protracted work for the building of a clean and diligent government and genuinely improve our work style.

The anticorruption struggle is a major event which has a bearing on the life and death of the country, so we must carry it out to the end unremittingly. Personnel in governments at all levels must always remember their fundamental aim of serving the people with heart and soul and strive to be upright, honest, and industrious. Cadres at county (section) level or above must work honestly and exercise self-discipline. We must concentrate our efforts on waging the anticorruption struggle thoroughly and give priority to checking and acting on major

serious cases involving the leading organs, law-enforcement departments, and economic management departments. Anyone involved in such cases, no matter who he is, must be thoroughly investigated. It is necessary to rectify malpractices in trades and further screen and correct such acts as arbitrarily collecting charges by means of administrative power and trade monopoly; taking possession of enterprises' monies and properties by government organs or their personnel without compensation; arbitrarily setting up checkpoints, imposing fines, and levying charges on roads; making default in repaying public funds; using the auto number plates of public security and armed police; and so on. We must resolutely check the practice of travelling using public funds. The ideological and political building must be strengthened in order to enhance the consciousness of rejecting corruption and preventing degeneration. Leading cadres should set a good example, take the lead in working honestly and exercising self-discipline, develop the fine style of hard work, and do a good job in the anticorruption struggle and the building of a clean and honest administration in their own units and localities.

The work style should be improved conscientiously. Government workers must study seriously, go deep into the reality of life, conduct investigation and study, and perform more practical things for the masses and grass-roots units. We will resolutely rectify the unhealthy style of being divorced from reality, making false and exaggerated reports, and indulging in formalism and seriously check and act on dereliction of duty and malfeasance due to bureaucratism in disregard of the interests of the state and people. We should adopt an overall point of view and enhance the sense of discipline, to ensure that all orders are executed and prohibitions enforced and that administrative decrees are carried out without hindrance. We should develop the administrative style featuring unity, good service, honesty, pragmatism, and high efficiency and repeatedly enhance our work quality and efficiency to elevate the building of government organs at various levels to a new height.

Continuous efforts should be made to carry out government organizational reform. The establishment of sections and offices within the organs at provincial level and the assignment of personnel should strictly comply with the guidelines of "fixing organizational structure, functions, and staff size" and the civil service system should be positively practiced. Organizational structural reform in prefectures, autonomous prefectures, and cities is the focal point of reforms this year and should be basically completed in the first half of the year. The structural reform in counties, townships, and towns should largely be completed before the year end. In the meantime, we should make proper preparations for the reform of other institutions and organizations at various levels.

Fellow deputies: While striving to fulfill the Eighth Five-Year Plan in our province in a comprehensive way, we will start formulating the Ninth Five-Year Plan. In accordance with the deployment of the party's Central

Committee, during the Ninth Five-Year Plan, we will initially establish the socialist market economic structure and achieve the second-step strategic objective for the modernization drive, to lay down a solid foundation for sustained economic and social development at the beginning of the next century. We will listen extensively to opinions from various localities, departments, and sectors; pool the wisdom of the masses; and lose no time in drawing up a five-year plan which corresponds with the development of events and the actual conditions in Yunnan, so that it can be submitted to the Fourth Session of the Eighth Yunnan Provincial People's Congress for examination and deliberation in 1996.

Fellow deputies: The People's Liberation Army and the People's Armed Police Forces are shouldering important missions of reform, development, and stability in our province. We must further intensify unity between the Army and the government and between the Army and the people, show concern for and give support to the modernization drive in the Army, and do all we can to help them resolve their difficulties. We must persevere in grasping education on national defense, enhance the defense awareness among the entire people, pay heed to the building of the reserve forces for national defense, strengthen the work of people's militia and reserve duty, make proper arrangements for the mobilized and retired military personnel, continue to launch activities of supporting the Army and giving preferential treatment to families of revolutionary army personnel and martyrs, and make even greater contributions to the building of two civilizations and border defense!

Fellow deputies: The tasks for reform and development in 1995 are arduous. There are many favorable conditions as well as quite a few difficulties and problems before us. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the leadership of the party's Central Committee, the State Council, and the Yunnan Provincial CPC Committee, let us emancipate our minds, vigorously carry out reforms, unite as one, forge ahead, and strive for the comprehensive fulfillment of the Eighth Five-Year Plan!

North Region

Inner Mongolia Secretary on Living Conditions

SK2104012495 Hohhot NEIMENGGU RIBAO in Chinese 3 Apr 95 p 1

[FBIS Translated Text] Whether the per peasant and herdsman incomes as well as the per urban resident income show an increase will be regarded as an important yardstick in measuring the achievements scored in official careers by the principal leading cadres at the banner-county level and in urban areas across the autonomous region. This issue was stressed by Liu Mingzu, secretary of the autonomous regional party committee, during his investigation and study tours in Baotou city.

He urged party committees and governments at all levels to unswervingly uphold economic construction as a center, to seize the opportunity, to accelerate development, and to regard the improvement of the people's living level as a fundamental fighting target.

Liu Mingzu and his entourage successively carried out investigation and study in Tumd Right Banner, the suburban districts and downtown of Baotou city, and the Shiguai district of Guyang County from 27 March to 2 April. They looked into a dozen state-owned, township, and privately-owned enterprises as well as met and held forums with their staff members and workers to learn about the situation in production and management. They went deep into the edges of farmland and farm households to carry out investigation and to learn about the situation in the production and livelihood of peasants. They also held extensive talks with the responsible comrades of Baotou city as well as of banners, counties, and districts. After hearing the work briefings given by the Baotou city party committee and the city people's government, Liu Mingzu fully acknowledged the ideas set by Baotou for economic development and its achievements scored in building the two civilizations and leading bodies at all levels.

In citing the current work and the work for the coming period, Liu Mingzu urged cadres and the people of various nationalities across the autonomous region to study theories and to carry out mass discussion on developing the socialist market economy by bearing the reality in their minds. Through the study of "Deng Xiaoping's Selected Works" and of the theories and knowledge of the socialist market economy, they need to first clarify again the issues of what socialism is and how it should be built. They should engage in study by bearing the reality in mind. Each locality and department should discuss and handle problems that have affected their reform, opening up, production, and construction. They should not only deal with problems that crop up in leadership but also handle those that crop up among the masses with regard to ideology and understanding. They should closely integrate the study and discussion by the masses with the work in various fields so as to expedite the deep development of reform, opening up, and economic construction.

During his investigation and study tours, Liu Mingzu repeatedly stressed: We should unswervingly uphold economic construction as a center and regard the task of upgrading the living conditions of people in both urban and rural areas as a fundamental fighting target. He pointed out: The fighting target regarded by us in the past with regard to increasing the income of peasants and herdsmen and guiding peasants and herdsmen to head for being better-off was totally correct. We should continuously and unswervingly do a good job in conducting the work in this regard. Party committees and governments at all levels should educate and lead peasants and herdsmen to meet the demands of markets, to vigorously engage in the undertakings of planting and breeding, to

make all-out efforts to develop township enterprises, and to adopt every possible way and means to increase their incomes. We should support a number of people to first become wealthy, have the wealthy people set examples for the masses, and organize the wealthy people to bring along the runner up and to realize common prosperity. We should regard whether cadres at grass-roots levels can lead the mass to become wealthy as a criterion in promoting them.

Meanwhile, we must also note that currently, there is still a large gap between the per urban resident income of the autonomous region and that of the country as a whole. Moreover, the gap is increasing. This is a very serious problem confronting party committees and governments at all levels across the region, to which we must attach great importance. The level of per capita income represents a comprehensive reflection to the level of economic development. The fundamental way to increase the per urban resident income lies in developing the economy. First, we should deepen the reform; enhance internal management; and try in every possible way to enliven the existing enterprises so as to increase their economic results. Second, we should adopt every possible way and means to open more avenues for employment. We should first deal with problems concerning ideology and understanding and bring about a change to the out-dated concept in which only jobs offered by state-owned and collectively-owned enterprises were regarded as employment. We should discern that as long as we engage in labor work and obtain a reward for our efforts, everything we do can be categorized as employment. We should strive to have all the unemployed find work and increase their sources of income by vigorously establishing tertiary industry enterprises and developing individual-run and privately-owned enterprises. Third, urban areas should enhance management over their labor force markets and maximize the guarantee that urban labor forces will be fully employed. Hereafter, in line with the spirit of being divorced from farming but remaining in the locality, we should chiefly have the surplus personnel engage in the local undertakings of breeding and planting as well as work in the local township, in private, and individual-run enterprises. Liu Mingzu demanded: We should regard whether leading cadres have upgraded the level of urban and rural people's incomes as an important yardstick in measuring the achievements of their official career. In appraising the achievements scored by principal leading cadres at the banner-county level in the future, we should determine whether they have boosted the incomes of peasants and herdsmen. We should judge from the situation in the per resident income while appraising the achievements scored by principal leading cadres in urban areas.

Liu Mingzu pointed out: Baotou, being a larger industrial city, should enforce the principles of having urban areas bring along rural ones; of realizing a combination between urban areas and rural ones; and of following the road of integration between urban areas and rural ones. Urban areas should bring their radiating function into

full play and transfer products that can be produced by township enterprises as well as funds, technologies, and talented personnel to rural areas so as to support or bring them along to achieve great development in township enterprises. Urban enterprises should engage in the production of high-tech, precise, and highly-sophisticated products. Banners, counties, and suburban districts should gear themselves to the demands of urban areas; engage in the operation of planting, raising, and processing, and conduct "vegetable basket" projects; provide sufficient supplies of meat, eggs, milk, vegetables, industrial raw materials, and auxiliary commodities for urban areas; and should serve the production and livelihood of urban areas. Only by so doing can urban and rural areas complement each other in strong points, help each other forward, and achieve common development. Meanwhile, a good job should be done in formulating an overall urban plan by which the development of all urban and township enterprises should abide.

Liu Mingzu stressed: We should enhance the leadership and guidance over the work of opening up so as to enable the utilization of foreign capital and the export of products to achieve greater development.

He stated: We are facing a rare opportunity in attracting foreign funds. For example, the state has adopted measures to support the middle and western regions to accelerate their development. The price of land and labor forces in the coastal regions have increased. Foreign investments have shifted to new regions where the rate of return is high. Abundant natural resources in China and its low land and labor costs have become an increasingly larger force in attracting foreign capital. In addition, the state has gradually enforced "national treatment" among foreign businessmen and the preferential treatment policies enforced in the coastal regions have gradually become weak. These coastal regions are gradually reaching the level of middle and western regions in enjoying such preferential treatment policies. On the other hand, the autonomous region inhabited by multiple nationalities enjoys the advantage of regional autonomy. However, we must note that Inner Mongolia is not alone in possessing this advantage, and that all middle and western regions enjoy this strong point. If we fail to seize the opportunity or fail to seize it firmly, we will just miss it and let other regions forestall it. We must soberly understand this point and enhance our sense of emergency and crisis. In seizing the opportunity and reinforcing the dynamics in bringing in outside capital, we should have actually feasible measures and put forward clear annual targets for bringing in domestic and foreign funds. Moreover, we should try every possible means to realize the targets; earnestly study international markets; and adopt effective measures to boost the exports of products. We should impose hard targets on exports; enforce integration among trade, industry, and agriculture for exports; establish export bases; and should reinforce the dynamics of exports.

Liu Mingzu urged leading departments at all levels to uphold the principle of integrating ideological and political

work with the handling of practical problems and to do a good job in conducting the work of stability. As for problems cropping up in reform, we should merely deal with them by deepening the reform and developing the economy and by no means should we take the road back. Leadership at all levels should conduct their work well and do a good job in developing the economy and in dealing with the practical problems encountered by the masses—including price problems, problems encountered by college or junior college students, and the living problems encountered by the staff members and workers of enterprises that have or have half suspended their production.

In citing the construction of leading bodies, Liu Mingzu demanded: While enhancing study and unity and successfully building administrative honesty, we should first stress the successful fostering and education of cadres and create more studying conditions for cadres so as to enable them to upgrade their capability of developing the socialist market economy. Moreover, efforts should be made to adopt measures to hold or bring in necessary talented personnel. Second, we should establish an encouragement mechanism among cadres and enable able cadres to be promoted and incompetent ones to be downgraded. In particular, we should not delay the readjustment of cadres among enterprises even a single day. This requires us to enhance the construction of the entrepreneurs' contingent and to establish the stockage of cadres and entrepreneurs. Third, we should broaden our field of vision and boldly promote youth, minorities, and women cadres. We must promote those who are familiar with the economy and are able to conduct management to leading posts so as to enable party and government leading bodies at all levels to assume the heavy tasks for directing reform, opening up, and economic construction.

Unicom To Provide Cellular Service for Tianjin

OW2004041595 Beijing XINHUA in English 0114
GMT 20 Apr 95

[FBIS Transcribed Text] Tianjin, April 20 (XINHUA)—The China United Telecommunications Corporation (Unicom), a rising star in China's telecommunications business, has decided to provide the first digital cellular phone telecommunication system for this north China port city.

Tianjin is to host the 43rd World Table-Tennis Championships in May.

To date, transmission stations and the installation works for the system have been completed, and internal communication has started.

The project is expected to make Tianjin the first Chinese city to benefit from digital cellular phone service.

Compared with ordinary cellular phones, digital cellular phones are known for their confidential and clear communication quality. They are particularly efficient in

guarding against telephone number theft and preventing crossed lines. The phone can also display conversations on its screen.

Besides Tianjin, Unicom is also working on the system in Beijing, Shanghai and Guangzhou.

Tianjin Builds Industrial Wholesale Market

OW2104083395 Beijing XINHUA in English 0608
GMT 21 Apr 95

[FBIS Transcribed Text] Tianjin, April 21 (XINHUA)—Work has started on a wholesale market of manufactured goods here as part of the nation's efforts to reform its commodity distribution system.

An official with the Tianjin Municipal Commerce Committee said that the market, the North China Manufactured Goods Wholesale Market, is a joint project of the Chinese Ministry of Internal Trade and the Tianjin Municipal Government.

The market, which is four kilometers from the city center, the airport, the railway station and the Beijing-Tianjin expressway, will have a primary trade zone, an exhibition and trading center, and a service zone, the official said.

Both futures and spot goods will be traded in the market using computers, he explained.

The primary market trade zone will be built within five years at a total cost of 500 million yuan, he said.

Construction of seven wholesale trade sub-zones is set for the next two years, he said, noting that goods to be traded there will include hardware, electrical appliances, clothing, decorative materials, furniture, processed foodstuff, and soft drinks. Both Chinese and foreign companies can apply for booths in the market.

Tianjin, the leading manufacturing center in north China, now has 560 various markets. Eight markets for rolled steel, automobiles, and petrochemicals did business worth 160 billion yuan in 1994, nine times the figure for the previous year. The official said that this year Tianjin will also begin building a motorcycle wholesale market and one for commodities from foreign-funded companies, and expanding the wholesale markets for coal and building materials.

Northeast Region

Liaoning Issues Provincial Budget Report

SK1904080995 Shenyang LIAONING RIBAO in Chinese 13 Mar 95

["Excerpts" of a report on the fulfillment of Liaoning Province's 1994 budget and on the 1995 draft financial budget given by Ji Yuying, director of the Liaoning Provincial Financial Department, at the third session of the Eighth Liaoning Provincial People's Congress on 21 February]

[FBIS Translated Text] 1. Implementation of the 1994 Budget

In 1994, under the correct leadership of the provincial party committee, governments at all levels across the province persisted in taking economic construction as the central task, deepened reform of the financial and taxation systems, and realized the smooth transition from the old financial and taxation systems to the new; under the situation in which the agricultural sector was hit by serious natural disasters and state-owned large and medium enterprises met with a fairly great number of difficulties, we tried by all possible means to organize income, digested the new factors for expenditure increase, fulfilled revenue and expenditure budgets and all work tasks defined by the second session of the eighth provincial people's congress in a better manner, and succeeded in striking a balance between financial revenue and expenditure.

According to the preliminary statistics in the bulletin, the province's local financial revenue totalled 15.326 billion yuan if calculated in line with the revenue sharing system, showing an increase of 16 percent over the previous year if incomparable factors were excluded. Of this, industrial and commercial tax revenues totalled 12.266 billion yuan, exceeding the budget by 13.6 percent and showing an increase of 27.2 percent over the previous year; revenue from the "four taxes" in agriculture (agricultural tax, tax for special agricultural and forest products, tax for the occupation of cultivated land, and deed tax) totalled 623 million yuan, exceeding the budget by 9.3 percent and showing an increase of 9.7 percent over the previous year; the revenue from industrial enterprises totalled 487 million yuan, which was 63.4 percent of the budget, showing an increase of 447 million yuan over the previous year; subsidies for grain losses by enterprises totalled 1.086 billion yuan, which was 81.9 percent of the budget, a decline of 35.5 percent from the previous year; revenue from income taxes of collective enterprises totalled 737 million yuan, exceeding the budget by 20.5 percent and showing an increase of 10.1 percent over the previous year; revenue from other sources totalled 982 million yuan, exceeding the budget by 140 percent and showing an increase of 63.7 percent over the previous year.

The province's financial expenditure totalled 22.168 billion yuan, which was 91.1 percent of the adjusted budget, up 22.4 percent over the previous year. Of this, expenditures on capital construction totalled 1.704 billion yuan, which was 94.6 percent of the budget or an increase of 43.8 percent over the previous year; expenditures on science and technology (including funds for scientific undertakings) totalled 520 million yuan, which was 98 percent of the budget, up 41.6 percent over the previous year; expenditures on agriculture (including working funds for agricultural, forestry, and water conservancy departments) totalled 1.55 billion yuan, which was 93.4 percent of the budget or an increase of 19.7 percent over the previous year; expenditures on educational undertakings totalled 3.104 billion yuan, which

was 98.6 percent of the budget or an increase of 34.2 percent over the previous year; expenditures on administrative and management funds totalled 1.835 billion yuan, which was 99.2 percent of the budget or an increase of 30.5 percent over the previous year, with the increase being basically the same as the previous year; and expenditures for public security, procuratorial, and judicial purposes was 1.144 billion yuan, which was 98.6 percent of the budget or an increase of 45 percent over the previous year.

Calculated in accordance with the 1994 financial revenue and expenditure bulletin and the revenue figure of the "two taxes" (75 percent of the consumption tax and value added tax) to be handed over to the central authorities, and after offsetting revenues and expenditures, the province succeeded in striking a balance between financial revenues and expenditures.

In order to fulfill the annual budget and carry out reform of the financial and taxation system, governments at all levels did much work.

1. Reform of the financial and taxation system was actively implemented, and a smooth transition from the old system to the new was achieved. In line with the demands of the State Council, we upheld the system of "combining overall plans with gradual implementation and seeking perfection in the course of practice"; based on the actual revenues of all localities of the previous year, we effected a natural shift into the implementation of the revenue sharing system. After conducting in-depth investigation and study and repeatedly soliciting opinions, and under the premise of giving consideration to the vested interest of all cities, we established the system of making the province exercise regulation and control over the revenue sharing system of cities within the framework of the state revenue sharing system, and fulfilled the work of establishing provincial, city, and county level state tax bureaus as well as local tax bureaus.

2. Financial departments at all levels actively collected funds, increased productive investment, and actively supported economic development. We basically guaranteed the need of funds for agriculture; education; science and technology; public security, procuratorial, and judicial sectors; and the province key construction projects. We supported the production of enterprises and technological transformation. While supporting the development of "high-yield, fine-quality, and high-efficient" farming and township enterprises, we strengthened the building of agricultural infrastructure facilities. Except for a reduction in the output of grain caused by natural disasters, all agricultural economic targets attained the best record in history. Among the province's 74 counties (cities) and districts, the financial revenue of 22 exceeded 100 million yuan (old system standards). We supported 752 scientific research projects and projects to tackle difficult problems in research, and achieved the objective of having no defaulted payments for subsidizing grain deficits across the province during the year.

3. We cleared up the default of tax payments of enterprises in line with the law, gave impetus to tax collection and management, and guaranteed the fulfillment of the "two taxes" task of the state and the provincial financial budget task. Principal leaders of governments at all levels assumed command and organized special forces; financial and tax departments and banks made concerted efforts, implemented the target responsibility system, implemented measures and plans for making each and every enterprise repay the taxes, succeeded in making the most of the enterprises repaying their taxes to the treasury by the end of the year, and fulfilled the state-assigned target of increase of the "two taxes" and the revenue budget.

4. We strengthened financial supervision and management of financial affairs and reduced the loss of financial revenue. During the province-wide general survey of financial revenue, financial affairs, and prices, as well as the special inspection on the financial supervision, we discovered a total of 1.144 billion yuan of illicit sums and returned 950 million yuan to the treasury, an increase of 300 million yuan over the previous year. We also handed over 747 million yuan of fines to the state.

In 1994, we still had some problems in our financial and taxation work. They were mainly shown in the following: the achievements in financial and taxation system reform were only achievements of a certain stage, and some problems still existed in the operation of the new system; the financial management of enterprises and institutions was fairly lax, and discipline violations were quite common; efforts in tax collection and management were not enough, and the phenomena of default in tax payment in enterprises and the loss of tax revenue were quite serious; and some localities and departments lacked the idea of leading an austere life, giving rise to the appearance of extravagancy and waste. All these need our efforts to gradually be improved and solved.

2. The Financial Budget of 1995

The guiding ideology for arranging the 1995 provincial budget is to take economic construction as the central tasks, regard strengthening the agricultural foundation status and successfully running state-owned large and medium-sized enterprises as the priorities, promote the change of mechanisms and structural readjustment, and actively cultivate and develop new economic growing points; further improve reform of the financial and taxation systems, strengthen tax collection and management, adjust the expenditure structure, and on the basis of guaranteeing the rigid expenditure on wages, expand agricultural investment, and support the development of education, science, and technology; persist in spending according to the financial capacity and doing things within our ability, and guarantee a balance between revenue and expenditure this year.

In line with the aforementioned guiding ideology and the arrangements, the province's local financial revenue during 1995 should reach 16.86 billion yuan if calculated

in terms of the revenue sharing system, up 10 percent over the previous year. Of this, the industrial and commercial tax revenue should reach 13.913 billion yuan, up 13.4 percent over the previous year; the revenue from the "four taxes" for agriculture should be 666 million yuan, up 6.8 percent over the previous year; revenues from the state-owned industrial enterprises should be 741 million yuan, up 52.1 percent over the previous year; the subsidies for the deficits of grain enterprises should be 1.342 billion yuan, up 23.6 percent over the previous year; the income taxes of collective enterprises should be 794 million yuan, up 7.7 percent over the previous year.

Based on the arrangements, the province's financial expenditure should reach 27.164 billion yuan, up 22.5 percent over the previous year. Of this, the expenditure on capital construction should be 1.9 billion yuan, up 11.5 percent over the previous year; the expenditure on science and technology should be 637 million yuan, up 22.6 percent over the previous year; the expenditure on agriculture should reach 1.877 billion yuan, up 21.1 percent over the previous year; the expenditure on educational working funds should reach 3.85 billion yuan, up 24 percent over the previous year; the expenditure on administrative and management funds should reach 2.239 billion yuan, up 22 percent over the previous year; and the expenditure for the public security, procuratorial and judicial sectors should be 1.403 billion yuan, up 22.7 percent over the previous year.

By adding the revenue budget of the year to the revenue from the tax refund from the central authorities and after subtracting the expenditure from the budget of the year and the expenditure to be handed over the state, it is possible to basically balance revenue and expenditure.

3. We Should Emancipate Thinking, Enhance Spirit, Make Earnest Efforts To Do Practical Things, and Try by All Possible Ways To Fulfill the 1995 Budget Task

1) We should further consolidate and improve reform of the financial and taxation system, strengthen the collection and management of taxes, and guarantee the fulfillment of the financial revenue task. It is necessary to carry out and keep the revenue sharing between cities and counties within proper bounds. We should actively explore ways to cultivate new tax and financial resources and gradually enhance the proportion of local financial revenue in the total national income of the whole province. We should continue to persist in making provincial authorities manage provincial affairs and city authorities manage city affairs, and strictly classify the expenditure items to be undertaken by the province, cities and counties themselves. It is necessary to conscientiously implement the tax law, persist in paying taxes in line with law, and strictly forbid the practice of seeking flexible policies in implementing the new tax system. Enterprises are not allowed to delay tax payment under any pretext; the tax collection and management departments should establish "tax payment transitional households" [shui kuan guo du hu 4451 2949 6665 3256 2073]

in enterprises, collect taxes according to the ratified rate of levying on the return sum [Hui Kuan Zheng Shou lu 0932 2949 1767 2392 3764], and strictly impose fines on enterprises that delay the tax payment; all special banks should actively coordinate with the financial and tax departments to support enterprises to pay taxes in line with the principle of taxation, loans, sales of goods, and profit retention; governments at all levels should strengthen leadership over tax collection work and actively support tax departments to collect taxes in line with law. We should pay special attention to the collection and management of value added tax and consumption tax; deal strict blows to the criminal acts of reselling and falsifying invoices; and collect consumption taxes strictly in accordance with the authorized scope of levy. We should conscientiously implement the personal income tax law; rapidly establish a strict tax collection and reporting system; gradually standardize the tax agency system; and establish and perfect tax checkup organs and work system. It is necessary to strictly investigate and handle the illegal acts of tax evasion, resistance, and cheating.

2) We should give priority to guaranteeing the increase in agricultural input, and consolidate and strengthen the agricultural foundation status. All localities and departments should further enhance understanding of the agricultural foundation status and conscientiously implement all relevant policies on increasing agricultural input defined by the state and the province. We should try by all possible ways to guarantee agricultural input and give priority to repairing and renovating some water conservancy projects damaged by flood and supporting agricultural comprehensive development, the building of all sorts of farm and sideline product bases, and the establishment of agricultural technology popularization and service system in counties and townships. Continued efforts should be made to improve the method of coordinating the input of agriculture-oriented funds and induce all social sectors to increase agricultural through various forms. It is necessary to rationally manage the funds, allocate sufficient amounts of agriculture-oriented funds in a timely manner, and guarantee that the expenditure on agriculture-oriented funds will be issued during the appropriate farming season.

3) We should continue to conserve old financial resources and cultivate new economic growth points. Continued efforts should be made to develop county and township economies and to do a good job in building county and township financial organs. We should accelerate the development of township enterprises and diversified undertakings and actively support "high-yield, fine-quality, and high-efficiency" farming. This year we should strive to turn four to five counties (suburban areas) into places generating a revenue of 100 million yuan. We should continue to support enterprises to accelerate technological transformation and vigorously readjust the production setup and product mix; continue to end deficits and increase profits, and reduce the enterprise deficit range by 5 percentage points and

deficit volume by 10 percent. We should try by all possible means to invigorate the use of reserve funds, optimize increases in funds, and alleviate contradictions in the shortage of funds for enterprises. In line with the relevant policies, we should help enterprises digest and handle their existing "burdens;" actively support tertiary industry, the collective, individual, and private sectors of the economy, country trade fairs, and other new financial resources; and strengthen management of revenue from the transfer of state-owned lands.

4) We should regard successfully running state-owned, large and medium-sized enterprises as a priority, deepen all sorts of reforms, and strengthen the financial management of enterprises and institutions. First, we should strengthen the financial management of enterprises in line with the reform of the modern enterprise system, make strict accounting calculations, and comprehensively implement the "two regulations" on finance and accounting. It is necessary to strengthen financial management and raise the level of accounting and efficiency. Second, we should actively carry out reform of the social security system; reform and improve the old-age insurance and the unemployment insurance systems of workers in cities and towns and gradually expand the scope of experimenting with the reform of the medical insurance system in selected units. We should strengthen the management of social insurance funds; and manage and make good use of housing funds. Third, we should make an inventory and check debts and capital of enterprises and strengthen management over state assets. State-owned enterprises should comprehensively fulfill the tasks of making an inventory and check their debts and capital. We should establish a database to manage the assets of state-owned enterprises across the province; divert all the incomes from state-owned assets to the state-owned asset management budget in a unified manner, and use them for readjusting the production setup, cultivating financial resources, conducting technological transformation in enterprises, and increasing the input of state capital in line with the principle of "managing the incomes in a unified manner, making overall planning and arrangements, and raising efficiency."

5) We should set strict restrictions on the budget and strengthen financial supervision, adjust the expenditure structure, and strictly control the financial expenditure. It is necessary to strictly manage things in line with the "budget law" and not to arbitrarily change the annual budget when it has been approved by the people's congress. In expenditure arrangements, we should first guarantee the issuance of wages for workers, digest the increased portion of expenditures caused by reform of the wage system of public servants, and pay special attention to issuing wages to teachers in a timely manner. We should persist in implementing the principle of issuing personnel funds in line with reality; public funds in line with the set quota, and special funds in line with financial capabilities, and strictly control the expenditure on personnel, cars, and meetings. The wages of personnel of administrative organs and institutions must

be issued strictly in accordance with the relevant regulations of the state. Educational departments at all levels should have a rational layout and continue to cut the size of above-quota personnel. We should continue to strictly control the purchasing power of social groups; strengthen management over the extra-budgetary funds, administrative charges, and fines and set norms to keep them within proper bounds, persist in "separating revenue from expenditure," and never allow the departments in charge of revenue collection to spend what they collect. We should guarantee the task of subsidizing deficit-incurring grain enterprises. It is necessary to take the implementation of the "budget law" as the turning point and conscientiously clear up policies, laws and regulations that cannot meet the demands of the new system; continue to conduct the general inspection of taxation, finance, and prices as well as financial supervision work.

6) We should unceasingly enhance the political and professional levels of cadres in charge of financial and tax work.

Liaoning Economic Development Work Report

SK1804035295 Shenyang LIAONING RIBAO in Chinese 13 Mar 95 p 5

["Excerpts" of report given by Zhao Xinliang, chairman of the Liaoning Provincial Planning Commission, on implementation of Liaoning Province's 1994 national economic and social development plan and on 1995 draft plan at the third session of the eighth Liaoning Provincial people's congress on 21 February]

[FBIS Translated Text] Fellow deputies:

On behalf of the people's government, I now submit a report on the implementation of the 1994 plan and on the arrangements of the 1995 plan for your examination and discussion.

1. Implementation of the 1994 Plan

Under the leadership of the provincial party committee and the provincial government, last year all fronts across the province conscientiously implemented the guidelines of the third and fourth plenary sessions of the 14th party Central Committee, properly handled the relations of reform, development, and stability, concentrated efforts on solving prominent problems in economic and social development, guaranteed the smooth implementation of all major policy measures, basically fulfilled all tasks defined by the second session of the eighth provincial people's congress, and achieved new progress in economic construction and social undertakings. The GNP of the year reached 251.2 billion yuan, up 11.2 percent over the previous year, of which, the primary industry increased 2.1 percent; secondary industry, 13.4 percent; and tertiary industry, 11.9 percent. 1) The agricultural sector did not suffer a loss in income despite a reduction in output during the year of serious natural disasters, and the rural economy was well developed. The grain output

still reached 13.37 million tonnes; and forestry, animal husbandry, and fisheries were comprehensively developed. The annual afforested areas increased by 19.1 percent; the total output of meat increased by 31.6 percent; and the output of aquatic products increased by 10.5 percent. The continued and rapid development in township enterprises and the enhancement in diversified economy and in the prices of agricultural products made the average per capita net income of peasants reach 1,423 yuan, an increase of 22.6 percent over the previous year. 2) Through improving the external environment and strengthening internal management, a fairly rapid increase was maintained in the industrial economy. The added value of industry was 119.1 billion yuan, up 13.7 percent over the previous year, of which, the added value of industry at and above the township level increased by 11.7 percent. 3) The degree of reforming the foreign trade system was expanded, and new progress was made in the export-oriented economy. The volume of import and export trades during the year totalled \$9.69 billion, up 14.5 percent over the previous year, of which, the export of local products reached \$5.29 billion, up 24.2 percent. The actual use of foreign capital totalled \$1.98 billion, up 17.2 percent; some 2,677 "three types of foreign-funded" enterprises were newly approved to be established and foreign businessmen were attracted to make a direct investment of \$1.42 billion, up 16 percent over the previous year. 4) The operation of the consumer goods market was stable and the prices of the means of production declined after experiencing vast increases. The retail sales of consumer goods in society during the year increased 27.2 percent over the previous year. The retail price index of commodities was 20.6 percent, which was lower than the national average by 1.1 percentage points. 5) The investment in fixed assets was brought under control and construction of key projects was further strengthened. The investment in fixed assets of the whole society increased by 21.6 percent over the previous year; the progress of key construction projects was accelerated; and the investment in capital construction and major technological transformation items during the year amounted to 18.42 billion yuan, accounting for 32.6 percent of the total investments in state-owned units. 6) The change from the old financial and taxation systems into the new was smoothly carried out and the banking performance was fairly stable. Calculated in terms of the new systems, the annual local financial revenue reached 15.33 billion yuan, which was 118.3 percent of the annual budget; the financial expenditure was 22.17 billion yuan, which was 91.1 percent of the adjusted budget; the annual savings of the banking organs increased by 48.65 billion yuan; all kinds of loans increased by 41.95 billion yuan; and money supply totalled 14.4 billion yuan, which was controlled within the planned target. 7) Noticeable results were made in "invigorating agriculture with science and technology," and big progress was achieved in all social undertakings. During the year, we achieved 3,453 natural science and technology research findings of various descriptions, of which, 2,473 items were popularized and were applied in

varying degrees. New progress was made in popularizing nine-year compulsory education; the enrollment rate of junior middle school students reached 89 percent; adult education played an important role in enhancing the technical level of workers; the permanent population of the province reached 40.67 million by the end of the year; the natural population growth rate was 6.23 per thousand, which was lower than the plan by 1.27 percentage points. The radio and television coverage rate reached 75 percent or so. The health center coverage rate in rural areas and administrative villages reached 97 percent. About 36 percent of the population across the province participated in regular sports trainings, the development trend of sports undertakings was good and the achievements were outstanding. 8) Environment and ecology enjoyed universal attention and the pollution disposal capacity was unceasingly strengthened. The industrial polluted water disposal rate, the rate of attaining the polluted water discharge standards, the rate of purifying the waste gas produced during the industrial and technological process, and the amount of solid waste materials produced in the course of processing 10,000 yuan worth of industrial products all basically met the plans. The quality of the drinking water in the urban areas basically attained the standard.

In 1994 the national economy of our province operated under a fairly strained macroeconomic environment. Particularly, the serious natural disasters created great influence on the production of peasants and to the lives of the people. Thanks to our province's efforts to firmly grasp the overall situation of "seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability," to firmly attend to the change of operational mechanism and the adjustment of economic structure, to give different guidances to major large and medium-sized enterprises, to accelerate the pace of agricultural development, to promptly organize forces to combat flood, to deal with emergencies and to provide for and help oneself by engaging in production, to actively cultivate new economic growing points, to expand the degree of inviting business and introducing capital, to strengthen price management and to guarantee basic stability in the markets, all targets formulated during the beginning of the year had been basically fulfilled.

Our province suffered stagnancy in the adjustment of production setup and in the change of mechanism—the agricultural infrastructure facilities were weak, the ability to combat natural disasters was low, the difficulties in state-owned large and medium-sized enterprises were big, the quality of performance of the industrial economy was low, and efficiency was poor. All these problems had not been basically solved, the prices of commodity prices remained high, and the pressure caused by inflation was aggravated. All these problems have affected economic development and social stability. Thus, the future work tasks will be very arduous.

2. The Guiding Ideology for Arranging the 1995 Plans and the Major Targets for Economic Regulation and Control

The guiding ideology for the 1995 national economic and social development plan is to implement the guidelines of the central and provincial economic work conference, continue to strengthen the provincial-level economic regulation and control, curb the overly rapid rise in commodity prices, act in close connection with the two crucial points of structural adjustment and change of operational mechanism, give priority to strengthening the foundation status of agriculture and successfully running state-owned large and medium-sized enterprises, implement the strategy of using export-oriented economy to uplift the whole economy, shift the focus of economic work to the path of raising economic efficiency, promote a sustained, rapid and sound economic development and comprehensive social progress in the province, guarantee the realization of various targets set in the Eighth Five-Year Plan, lay a foundation of developing the Ninth Five-Year Plan, and push the second pioneering program to a new stage.

The arrangements for this year's provincial social and economic development objectives are as follows:

A. The GNP should increase by 10 percent, of which, the primary industry should increase by 5 percent; secondary industry, 10.5 percent; and tertiary industry, 11 percent.

B. The scope of investment in fixed assets in the whole society should increase by 10 percent (exclude the price factors) and the investment rate should be controlled at 25 percent or so.

C. The retail sales of commodities in society should reach 104 billion yuan, up 20 percent over the previous year.

D. The rise in the retail prices of commodities in society should be noticeably lower than that of the previous year and efforts should be made to strive to bring it lower than the national average.

E. The total volume of imports and exports should reach \$10.4 billion, of which, the imports should be \$3.1 billion, and the exports should be \$7.3 billion. The export of local products should reach \$5.8 billion, up 10 percent over the previous year. The actual amount of foreign capital delivered into the province for use should reach \$2.2 billion, up 10 percent.

F. The financial revenue should reach 16.86 billion yuan, up 10 percent over the previous year, and the financial expenditure should reach 27.164 billion yuan, up 22.5 percent over the previous year so that a balance between revenue and expenditure will be seen during the year.

G. The scope of new bank loans should be more than 35 billion yuan.

H. In the industrial economic efficiency, the rate of added value of industry of all industrial enterprises exercising independent accounting should be 32 percent; the sales rate of products should be 95 percent; the profit-tax rate of industrial funds should be 9.5 percent; the cost-profit rate of industry should be 4.5 percent; and the average turnover rate of circulating funds should be 1.35 times. All will show an increase over the previous year.

I. The localities should enroll 25,600 students into ordinary institutions of higher learning and 37,500 students into ordinary secondary specialized schools. The ratio of students to be trained on a commission basis and the self-funded students should be kept at a level of 50 percent.

J. The permanent population should be controlled within 41.07 million and the birth rate and natural population growth rate should be respectively controlled at 13.1 per thousand and 7.1 per thousand.

K. The average per capita income for living expenses of the urban residents and the average per capita net income of peasants should respectively reach 3,220 yuan and 1,650 yuan.

L. The total payroll of local workers should reach 39.3 billion yuan, and the unemployment rate in cities and towns should be controlled within 4 percent.

3. The Work Priorities for Implementing the 1995 National Economic and Social Development Plan of the Whole Province

1) We should quicken the tempo in making the rural economy grow more industrialized, specialized, and intensive and comprehensively invigorate the rural economy.

We should guarantee that the total output of grain and soybeans will reach more than 15 million tonnes and stabilize the grain and soybean farming areas at 44 million mu. Localities with favorable conditions should actively develop cotton production and make the cotton cultivation area reach 850,000 mu. It is necessary to make proper arrangements for the production areas of oil-bearing crops and make the output of oil-bearing crops reach 300,000 tonnes. In animal husbandry, we should give priority to grasping the building of production bases of lean-meat hogs, beef-cattle, and mutton-sheep, and should make the output of meat reach 2.1 million tonnes. In the production of aquatic products, we should accelerate the pace of updating the varieties and the research on preventing and curing disease, and strive to make the output reach 1.8 million tonnes. The vegetable protective areas should increase to 1 million mu. In building the production systems of seven major farm and sideline products for intensive and precision processing, we should start 25 items this year on the basis of last year's 25 items, and strive to form groups of leading items to cover the whole province within two to three years. We should give impetus to agricultural

investment, attend to the building of agricultural infrastructure facilities, vigorously repair projects damaged by floods, and give priority to building 31 major commercial grain counties (cities and districts), high-yield, fine-quality, and high-efficient farming demonstration zones, and agricultural and afforestation projects with World Bank Loans. Township enterprises should accelerate the pace in adjusting the product mix, actively expand the use of foreign capital, and exert efforts to raise the scale, level, and efficiency. We should accelerate the pace of building central cities and towns in the rural areas. On the basis of summarizing the achievements of 1994 in building 20 experimental towns across the province, this year we should comprehensively start building the remaining 80 experimental towns, and create good environment and conditions for developing township enterprises and modernizing the rural areas.

2) We should expand the degree of readjusting the industrial structure and reforming state-owned enterprises and maintain a steady increase in industrial rate and efficiency.

This year the planned added value of industry should increase by 11 percent and the expected output of major industrial products in the plan are to produce 47.81 million tonnes of raw coal, 15.5 million tonnes of crude oil, 55.8 billion kw of electricity, 12.66 million tonnes of steel products, and 750,000 tonnes of chemical fertilizers (100 percent effective content equivalent). All economic efficiency targets of industry should show improvement. To guarantee the realization of the regulation and control targets, it is necessary to exert efforts to deepen reform, strengthen management, readjust the structure, and rely on scientific and technological progress. We should concentrate efforts on grasping the readjustment of the industrial economic strategy and the market adaptability, give priority to grasping a number of serial industrial chains such as vehicles and engineering machinery, each with an output value exceeding 10 billion yuan, grasp a batch of key products such as viscose fiber, high-grade clothing, foodstuffs and beverage, and 100 key enterprises, and promote the province's industry to attain fair scale, form enterprise groups, and march toward the world.

In reform of industrial enterprises, it is necessary to separate government functions from enterprises management, do a good job in enterprise internal management and gradually establish three key links in social security system. Efforts should be made to invigorate the use of funds and accelerate the circulation of funds.

3) We should appropriately control the investment scope, adjust the investment structure, and strive to raise the investment efficiency.

The annual arrangements for local investments in state-owned capital construction projects should be 18 billion yuan; in technological transformation, 13.3 billion yuan; and in real estate, 8.315 billion yuan. Among the key items, 28 are state-arranged large and medium-sized

capital construction items in our province and the total investment arranged in the annual plan is 10.92 billion yuan; and 15 are local large and medium-sized items listed in the state capital construction plan and the annual investment is 2.65 billion yuan. According to the state's initial arrangements, our province will carry out 32 above-quota technological transformation projects and the annual investment will be 3.05 billion yuan.

In order to fulfill the regulation and control targets of adjusting the structure, guaranteeing the priorities, and raising efficiency, we must concentrate efforts on curtailing the capital construction front according to the possibility of funds. It is necessary to strictly control the initiation of new projects and use the limited amount of funds to guarantee the operation and the winding up of some projects, and the key projects; give impetus to the technological transformation and grafting of old enterprises; strengthen management and supervision over the investment funds in fixed assets, establish the mechanism of investment restraint and risk-taking mechanism, and establish the registration and filing system of investment items; continue to clear up under-construction projects; establish fixed asset investment regulation and control funds; conscientiously clear up the overdue debts of projects that have been completed, establish debt repayment responsibility system, and strengthen management over enterprise bonds.

4) We should implement the strategy of using an export-oriented economy to uplift the whole economy and unceasingly raise the level of opening up.

This year's priority of using foreign capital is to prominently grasp the work of transforming old enterprises by "developing high and new technology industries, using high and new technologies to transform traditional industries, and carrying out intensive processing of raw materials," and attend to the "grafting" and transformation of 100 large and medium-sized enterprises; prominently develop agricultural resources and develop the "seven-dragon" projects of the "high-yield, fine-quality, and high-efficient" farming; and prominently strengthen the building of infrastructure facilities. As for the major items on inviting business and introducing capital which we have selected, we must guarantee their actual progress, raise the rate of putting money in place, the rate of honoring contracts, and the rate of starting the projects. It is necessary to further strengthen management over foreign debts.

In foreign export, we should give priority to grasping the work of optimizing the structure of export commodities, further expand the proportion of the export of large and complete sets of equipment, and raise the proportion of this year's export of electronics and machinery products in the export of local products by more than 22 percent. We should accelerate the building of export product bases and strive to open up the international market. In foreign economic work, we should stimulate the export of labor services and technical equipment through contracting projects and technology, strive to make this

year's project contracted sum reach \$330 million, and send 16,000 laborers abroad.

5) We should do a good job in balancing the market supply and demand and lower the overly rapid rise in commodity prices.

We should regard guaranteeing the supply of major farm products such as grain, oil-bearing crops, sugar, and meat as the key aspect in stabilizing market and commodity prices and continue to grasp the "rice bags" and "vegetable baskets" projects. State-owned grain enterprises should sell grain in line with state-stipulated prices and guarantee that grain and oil-bearing crops will not be sold out.

We should strengthen the government's strength and means in regulating and controlling commodity prices and step up efforts to build and establish the reserve system and the risk-taking reserve fund. The price departments at all levels should give full play to the functional role and strengthen supervision and examination over the prices of the residents' daily necessities and services. About 90 percent of the major chemical fertilizer resources produced by the state should be brought into the main circulation channel and the supply and marketing cooperatives should do a good job in organizing the supply of good quality chemical fertilizers. It is necessary to strengthen the management of pork and vegetable markets and effectively guide and supervise the rate of difference between wholesale and retail prices and the market prices.

6) We should strive to increase revenue and reduce expenditure and stabilize the banking situation.

To increase financial revenue, on the one hand, we should consolidate the old tax sources, and on the other hand, actively support the new growing points and cultivate new tax sources. We should strengthen the collection and management of tax revenue and strive to fulfill the budgets. In financial expenditure, we should continue to support enterprises to accelerate technological transformation and give priority to guaranteeing the expenditure on agriculture, education, and scientific research. Efforts should be made to actively cut expenditure on administrative and working funds and guarantee a balance between revenue and expenditure during the year.

We should actively promote reform of the banking system, give impetus to reforming state-owned commercial banks, raise the ability of banks to absorb funds, optimize the supply of loans, support structural readjustment and construction of key projects, and support the new economic growing points. Continued efforts should be made to consolidate discipline on settling accounts and strengthen the exchange of bills and management of foreign exchange.

7) We should strengthen management over the use of natural resources and do a good job in environmental protection work.

This year the province as a whole will develop 7,593 hectares of land according to plan, continue to control the total land quota for state construction projects, give graded management to the items, and strengthen management over the use of land and the earnings from land transfer. This year the province as a whole has a total of 13.8 billion cubic meters of water resources. We should actively develop surface water, underground water, and sea water resources and rain water, make proper arrangements for the water delivery among localities, and guarantee the needs for industrial and agricultural production and for the people's living.

This year the province's main target of environmental protection is to keep the industrial waste gas disposal rate, the rate of eliminating smoke and dust while burning waste gas, and the industrial waste water disposal rate higher than the actual level of the previous year. We should actively promote clean production and reduce the pressure on environment caused by the "three industrial wastes." We should vigorously develop environmental protection industry and provide a reliable material and technological guarantee for improving pollution and protecting the ecological environment.

8) We should continue to persist in "invigorating Liaoning with science and technology" and actively develop all sorts of social undertaking.

In line with the objective of "using high and new technologies to transform old enterprises and carrying out intensive processing of raw materials," we should give priority to grasping scientific and technological development in six major technological spheres such as electronics and information, combination of optical and precision machinery with electronics, new materials, biological engineering, energy saving and environmental protection, and oceanographic engineering, and grasping the work of industrializing the scientific and technological findings.

In line with the objective of developing "high-yield, fine-quality, and high-efficient" farming, we should give priority to grasping research on breeding new varieties of farm crops, livestock and poultry, and aquatic products; on the technology to comprehensively increase the production of agriculture and animal husbandry; on development of technologies to store, keep fresh, transport and intensively process farm and sideline products; and accelerate the pace of turning our province's traditional farming into modernized farming.

We should realistically implement the strategy of giving priority to educational development, give impetus to reform of the educational system and structural readjustment, promote a coordinated development in all levels and all sorts of education, raise the overall efficiency of education, and cultivate competent persons for carrying out our province's economic construction.

In the work of controlling and managing the population, we should implement the system of making party and

government top leaders assume full responsibility and guarantee the fulfillment of the population control target. Meanwhile, we should explore ways to establish the new mechanism of interest guidance for population management and strengthen management over the floating population, particularly their birth management. We should continue to uphold the principle of seeking employment through various channels, actively cultivate the labor markets, further improve the employment service system, and create conditions to accelerate the transfer of agricultural surplus labor forces and the reemployment of surplus workers of state-owned enterprises. We should conscientiously implement the "labor law," and curb the big difference between personal incomes through the rational distribution policy and regulation of tax revenue. Taking epidemic prevention and rural public health as the priorities, we should further optimize the distribution of health care resources. Active efforts should be made to develop the tourist industry. This year we are expecting to earn \$185 million of foreign exchange from the tourist industry, up 11.45 percent over the previous year. We should accelerate the pace to build the social security system, expand the insurance sphere and scope, and strengthen the overall management and rational utilization of insurance funds. Further efforts should be made to invigorate the cultural, radio and television, press and publication, and sports undertakings.

9) We should do a good job in coordinating all departments and step up efforts to compile our province's Ninth Five-Year Plan.

First, in accordance with the pattern and views proposed by the state and our province's reality, we should deeply probe into some major issues such as the development strategy and rate, structural readjustment, change of systems, and development of export-oriented economy for the Ninth Five-Year Plan period, and make comparisons; and comprehensively balance the degree of guaranteeing funds, energy supply, and communications and form a "draft plan." Second, we should coordinate with all departments, scientific research organs, and colleges

and universities, and formulate special plans for implementing the strategy of developing "high and new technological industries, using high technologies to transform traditional industries, and carrying out intensive processing of raw materials" during the development of pillar industries and key products. Third, we should further organize the pre-phase work of the province's key construction projects and give impetus to work.

10) We should do a better job in the reform of the planning system and strengthen and improve the provincial-level economic regulation and control.

To give play to the role of the provincial-level economic regulation and control, first, we should establish the consultation system for making major policies and measures. The planning departments, while formulating plans, should conscientiously listen to the views of the financial and banking departments and give full consideration to the financial and banking needs and expectations. Second, we should establish the system of jointly sharing economic information. The provincial-level functional departments should promptly exchange information and guarantee accurate and quick supervision and control over the hot issues during economic performance. This year's annual plan for reforms will be classified into three categories including "the regulation and control target," the "expected target," and the "public resources allocation target"; will improve the system of comprehensively reporting the plans, and will guide economic and social development through macro policy and information forecasts. We should adopt a proper way to promulgate the planned targets and policy measures to the whole society and strengthen the transparency of plans and policy guidance. It is necessary to strengthen the monitoring, supervision, and forecast of the economic situation, and the immediate regulation and control of the annual plan in the course of implementation.

Fellow deputies, although this year's economic situation is fairly grim, it is possible to successfully fulfill this year's planned targets and the Eighth Five-Year Plan as long as the whole province, from the higher to the lower levels, correctly analyze the existing problems, unify thinking, adopt effective measures, give play to advantages, and make earnest efforts to do practical things.

Paper Criticizes Li Teng-hui's Six Points

HK2104063895 Hong Kong WEN WEI PO in Chinese
17 Apr 95 p a2

[Editorial: "State Sovereignty Is Inseparable From Territory—A Comment on 'Li Teng-hui's Six Points'"]

[FBIS Translated Text] On the eve of this year's Spring Festival, Jiang Zemin made an important speech on the Taiwan issue with regard to the new conditions and characteristics of the developments and changes inside Taiwan and in cross-strait relations and put forward a serious proposal on holding political talks between the two sides of the strait. The proposal created a new opportunity for breaking the current political stalemate between the mainland and Taiwan. Jiang Zemin pointed out that adhering to the principle of one China is the foundation and principle for the realization of peaceful reunification.

Last week, Li Teng-hui made an official response to this. He said: After 1949, Taiwan and the mainland were separately governed by two parallel political entities, and this caused the situation of split and separate government on the two sides of the strait. Therefore, in order to solve the issue of reunification, people must be realistic and respect history in order to seek a feasible way to realize national reunification on the basis of the reality of separate governments on the two sides of the strait.

Li Teng-hui expressed the opinion of the supreme authorities of Taiwan on cross-strait relations. The opinion stressed "division" rather than "unification." Li Teng-hui totally avoided the principle of one China and just stressed the existence of "two parallel political entities" and the "divided condition and separate government." He even said that "only by objectively facing this reality can the two sides reach more of a consensus on the meaning of 'one China.'"

Jiang Zemin made it clear in his speech that the two sides should jointly safeguard state sovereignty and territorial integrity. Without considering state sovereignty and territorial integrity, the political talks between the two sides will have no foundation. However, Li Teng-hui's six points simply and utterly go against Jiang Zemin's speech on the fundamental principle of this issue. State sovereignty is a country's supreme power for independently handling its internal and external affairs, and the geographic scope of state sovereignty is the territory of a country. There is only one China in the world, and both sides of the strait belong to China. The international community only recognizes one China. China's sovereignty is inseparable from its territory. The Chinese

Government certainly adheres to this major principle in the issue of cross-strait relations. Under the major principle, all questions, including all questions that the Taiwan authorities and the Taiwan people are concerned about, can be discussed. However, Li Teng-hui's response did not mention this major principle. People who are concerned about cross-strait affairs were disappointed to see this.

Insisting on the indivisibility of China's sovereign power and territory does not seek to set any condition for the talks; instead, this reflects that the maintenance of the integrity of national territory and sovereignty represents the greatest interest of the Chinese nation. In modern history, the Chinese nation had the bitter experience of being bullied by the Western powers. Old China could not maintain the integrity of both sovereignty and territory. The prosperity and powerfulness of the country and the wealth of the people are first of all dependent on the integrity of national territory and state sovereignty. After 1949, China succeeded in maintaining state sovereignty, and this was unprecedented in China's modern history. Even the Kuomintang authorities in Taiwan have never objected to the one China principle.

In his speech to the "National Unification Committee," Li Teng-hui recalled China's modern history and said: "Over the last nearly 100 years, China underwent untold sufferings and miseries, but still failed to establish a community with freedom and wealth. The victory of the Anti-Japanese War 50 years ago put an end to external invasion, but the two sides of the strait were divided." Here, he did not mention the Chinese people's effort to safeguard national sovereignty and territorial integrity; nor did he mention the fact that Japan occupied Taiwan, and the Seventh Fleet of the United States was stationed in Taiwan and took Taiwan as its "unsinkable aircraft carrier" in an attempt to separate Taiwan from China's territory. He did not mention that, at present, a political force on the island is trying hard to create "Taiwan independence" and the "Republic of Taiwan" by echoing the foreign powers. It seemed that this was not his carelessness and neglect, but was in keeping with his position of stressing "division and separate government."

This shows that there is a principled difference between Li Teng-hui's response and Jiang Zemin's initiative. Li's speech was, at any rate, the official response of the Taiwan leader to the important proposal of the mainland leader on cross-strait relations. It enabled people to understand the official opinion of the Taiwan authorities on their cross-strait policy and understand Li Teng-hui's thinking.

**Li Teng-hui Meets With U.S. Congress
Delegation**

*OW2104021295 Taipei CNA in English 0140 GMT
21 Apr 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, April 20 (CNA)—President Li Teng-hui expressed the hope Thursday [20 April] that the long-standing cooperative relationship and traditional cordial friendship between the Republic of China [ROC] and United States can be further strengthened.

Li made the remark during a meeting with a nine-member U.S. congressional delegation.

In addition to expressing his appreciation for U.S. support of the ROC in the international community, Li also stressed the importance and value of the existence of the ROC. He said that although the ROC maintains formal diplomatic ties with only 29 nations in the world, it has made remarkable achievements in all fields.

Currently, the ROC holds as much as U.S.\$90 billion in foreign exchange reserves and its per-capita income is U.S.\$12,000—proof of the ROC's development, Li told the American visitors.

The U.S. delegation, which includes Sen. Christopher Bond (R-Mo.), Rep. Earl Hilliard (D-Ala.) and his wife, as well as Rep. Eni F.H. Faleomavaega (D-American Samoa) and Tauese Sunia, the lieutenant governor of American Samoa, respectively, also called on Premier Lien Chan later in the day.

They will also visit Foreign Affairs Minister Chien Fu, central bank governor Y.D. Shiu and other high-ranking officials before leaving here next Wednesday.

**Official Urges U.S. To Sign Extradition
Agreement**

*OW2104105795 Taipei CNA in English 0838 GMT
21 Apr 95*

[By Y.C. Pan and Lilian Wu]

[FBIS Transcribed Text] Washington, April 20 (CNA)—A Republic of China [ROC] official recently urged the United States to sign a extradition agreement with the ROC and help Taiwan join international anti-drug organizations.

Chen Chin-hsien, vice director of Taipei Economic and Cultural Office in Chicago, made the remarks Tuesday [18 April] during a seminar on international cooperation against organized crime sponsored by East Illinois University. Eduardo Gonzalez, director of the U.S. Marshals' Service, was among the 100 participants at the seminar.

During the speech, Chen stressed the ROC's determination to assist the international community in fighting crime.

While serving as vice director of the Taipei Economic and Cultural Office in Seattle, Chen said, he helped the U.S. Immigration and Naturalization Service track down and extradite wanted economic criminals, and provided information about the smuggling of illegal immigrants from Asia to the U.S.

Chen concluded by reiterating his call for the U.S. to sign a extradition agreement with the ROC and help Taiwan join international anti-drug organizations.

In an interview with university television, Chen detailed recent political and economic developments in the ROC and its efforts to join the United Nations.

Li Stresses 'Close Contacts' With Hong Kong

*OW2004122095 Taipei CNA in English 1003 GMT
20 Apr 95*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 20 (CNA)—Republic of China [ROC] President Li Teng-hui said Thursday [20 April] that the government will maintain close contacts with Hong Kong and Macao after the two areas revert to communist Chinese rule.

Speaking during a meeting with overseas Chinese leaders from the two colonies, Li said that the government is very concerned about the future of both Hong Kong, which will revert to communist rule in 1997, and Macao, which will be handed over in 1999.

He said that the government will maintain close contacts with Hong Kong and Macao after the turnover and will watch closely the developments there.

Li added that preservation of Hong Kong's prosperity and free and democratic systems is the responsibility of the people on both sides of the Taiwan Strait.

He also talked briefly about national identity and democratic reforms.

Li said that some Chinese have different opinions of national identity, but the ROC Government tolerates and respects those opinions because "we are a free, democratic nation and a nation with freedom of speech."

"But the government will not tolerate moves that will hurt national interests," he added.

Li said that in moving toward democratic reforms, the government has not overlooked the economy, and growth has been maintained at about 6 percent annually.

**Spokesman Rules Out Post-1997 Office in Hong
Kong**

*OW2104022595 Taipei CNA in English 0153 GMT
21 Apr 95*

[By Bear Li]

[FBIS Transcribed Text] Taipei, April 20 (CNA)—The Foreign Affairs Ministry reiterated Thursday [20 April] that it will no longer operate a representative office in Hong Kong after the British colony reverts to mainland Chinese rule in 1997.

Foreign Affairs Ministry spokesman Rock Leng was commenting on a news report that Beijing will not allow the Chung Hwa Travel Service, which acts as Taiwan's representative office, and the Kwang Hwa Information and Culture Center, which is run by the Government Information Office, to continue to operate in Hong Kong after 1997.

Leng said that Hong Kong will no longer be termed a "foreign territory" by the ROC Government after its transition to Beijing rule and that his ministry will therefore not establish a new representative office there.

He added, however, that the Mainland Affairs Council will be responsible for working out plans regarding post-1997 Taiwan offices in Hong Kong.

Taipei Studies Marshall Islands Nuclear Dump Plan

*OW2004122195 Taipei CNA in English 1011 GMT
20 Apr 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, April 20 (CNA)—Taiwan is studying the feasibility of setting up a permanent nuclear waste dump on the Marshall Islands in the South Pacific in cooperation with Japan and South Korea, a senior official said Thursday [20 April].

Hsu Yih-yun, chairman of the Atomic Energy Council under the Executive Yuan, said he will discuss the proposal with Japanese and South Korean officials in the near future.

Hsu further revealed during a Legislative Yuan committee meeting that Taiwan Power Co. (Taipower), a state monopoly, will ship a batch of nuclear waste to Russia for disposal this summer on a trial basis.

"This will be a pilot project for our bid to dispose of nuclear waste abroad," Hsu explained.

As Taipower's nuclear waste dump on Orchid Island off eastern Taiwan will soon reach capacity, Hsu said, Taipower is actively seeking new sites for permanent disposal at home and abroad. Among overseas sites under consideration are Russia, Mainland China and the Marshall Islands, he added.

Executive Yuan Passes Draft Money-Laundering Bill

*OW2104030495 Taipei CNA in English 0135 GMT
21 Apr 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 20 (CNA)—The Executive Yuan on Thursday [20 April] passed a draft money-laundering bill, which Premier Lien Chan said is part of the government's efforts to transform Taiwan into a financial hub in the Asia-Pacific region.

"The law should be able to effectively curb criminals from using Taiwan's financial institutions to whitewash the money they make through illegal means," Lien said.

The bill, proposed by the Ministry of Justice and pending the approval of the Legislative Yuan, contains 15 articles.

Under the bill, anyone caught laundering money through local financial institutions may face a prison term of up to five years and/or a fine not exceeding NT\$3 [new Taiwan dollars] million (U.S.\$118,580). Repeat offenders may be jailed for up to seven years and/or fined up to NT\$10 million (U.S.\$395,260).

The penalty would apply to those caught laundering money illegally gotten from insider stock trading, stock payment default, stock price manipulation, swindling, smuggling, vote-buying, and the illegal manufacture, transportation and selling of drugs and firearms.

"Money laundering is emerging as a major international organized crime, but only the drug trade is targeted by the laws that have been enacted in some industrialized countries," Justice Minister Ma Ying-jeou said, highlighting the major difference in the proposed Taiwan law. "In contrast, this bill is designed to fight a wide range of crimes."

The bill would require local financial institutions to report suspicious transactions to relevant government agencies.

"It should be the first comprehensive money-laundering bill in the Asia-Pacific region," Ma said.

Opposition Official Announces Bid for Presidency

*OW2104015995 Taipei CNA in English 0113 GMT
21 Apr 95*

[By Hung Chao-lung and Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 20 (CNA)—Former provincial assemblyman Lin Yi-hsiung on Thursday [20 April] announced his bid to run in the 1996 presidential election, making him the fourth Democratic Progressive Party member to join the race.

"The poll will provide a forum at which local people can thoroughly debate Taiwan's major issues, thus helping consolidate a consensus among the public on the island," Lin said at a ceremony marking the kickoff of his campaign.

He pledged to take advantage of the opportunity to build a country based on "dignity, fairness, security, prosperity and joy."

Lin was sentenced to 12 years in prison for his role in the "Formosa incident" of 1979, in which several members of Taiwan's then-dissident community were arrested in clashes with police in the southern Taiwan city of Kaohsiung. He served only four years and six months of his sentence before having his jail term commuted.

While he was awaiting trial on Feb. 28, 1980, his mother and two daughters were murdered and a third daughter severely injured in an attack at Lin's home in downtown Taipei. The reason behind the attack remains unclear, and the assailants were never found.

Lin left for the United States for a period of self-exile in April 1985. He returned to Taiwan and later joined the DPP, Taiwan's major opposition party, in 1994.

Three other DPP heavyweights, including Taipei County Magistrate You Ching, former DPP Chairman Hsu Hsin-liang and former National Taiwan University Professor Peng Ming-min, have already announced their plans to run in the presidential election, slated for March of next year. The ROC president used to be elected by the National Assembly, the electoral college of the five-branch constitutional system.

Anti-Dumping Tariffs on Petrochemicals Lifted

OW2104103095 Taipei CNA in English 0854 GMT
21 Apr 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, April 21 (CNA)—The Ministry of Finance Thursday [21 April] announced the lifting of anti-dumping tariffs on imports of polypropylene (PP), high-density polyethylene (HDPE) and low-density polyethylene (LDPE), effective Saturday.

Officials from the Finance Ministry said the anti-dumping tariffs were removed because the reasons for imposition, including unreasonably low prices which harmed the local industry, were no longer valid.

Acting on complaints filed by leading Taiwan petrochemical firms last year, the ministry imposed anti-dumping tariffs on imports of PP, HDPE and LDPE from Japan and South Korea last May and June, respectively, for the excessively low prices of the products.

PP is a product widely used in industry and in the production of plastic bags, plastic bottles, toys and the housings for washing machines. PE is another related material commonly used in textile and plastic industries.

Ten Japanese companies involved in dumping PP in Taiwan were forced to pay extra import duties ranging between 5.16 percent and 68.71 percent, while eight South Korean suppliers faced an additional tax of between 5.4-35.01 percent. The tax rates varied with import quantities and prices.

The PP dumping was the fifth anti-dumping case acted upon by the government since 1993 when Taiwan

imposed an extra tax on imports of Japanese-manufactured sodium hydrosulfite, a chemical widely used by the dying industry.

Military Institute Helping With IDF Model Planes

OW2004121695 Taipei CNA in English 1035 GMT
20 Apr 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, April 20 (CNA)—The military-run Chungshan Institute of Science and Technology (CIST) is assisting a private Taiwan company to produce remote-controlled model planes patterned after the first locally-developed defense fighters, an institute spokesman said Thursday [20 April].

Chou Yuan-yen, director of the CIST's aerospace technology research institute, said CIST has transferred technology to Thunder Tiger Model Co. for the production of Indigenous Defense Fighter (IDF) model planes.

In addition to helping upgrade domestic technological levels, Chou said, the technology transfer also aims to raise brand recognition of IDFs, also known as Ching Kuo fighters named after the late president Chiang Ching-kuo.

A Thunder Tiger spokesman said the company plans to have its one-seventh-scale IDF model join the annual international model plane contest after it completes production.

The fiberglass IDF model plane will measure 196 centimeters in length and weigh 6.5 to 7.5 kilograms. Quipped with a turbojet and a turbofan, the plane will be able to fly up to 250 kilometers an hour.

The spokesman said the company expects to sell more than 300 IDF model planes in the initial stage, with an annual turnover of about NT [new Taiwan] \$20 million (US\$784,314).

Thunder Tiger ranks among the world's top 10 model plane manufacturers. It produces models of automobiles, ships, helicopters and aircraft.

The Taichung-based company has also produced drones for military use. It can produce more than 30,000 MIG-27 drones annually. "We have recently received an order for 60,000 MIG-27 drones from the United States," the spokesman said.

Thunder Tiger has also developed T-1B drones for sale to the Republic of China [ROC] Air Force for troop training purposes.

PRC Publications Not To Influence Citizens

OW2104105395 Taipei CNA in English 0931 GMT
21 Apr 95

[By Sofia Wu]

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[FBIS Transcribed Text] Taipei, April 21 (CNA)—Most local publishers do not think that Republic of China [ROC] citizens will be influenced by mainland Chinese publications, according to a recent survey by the Mainland Affairs Council (MAC).

As many as 80.6 percent of local publishers interviewed said they do not believe that Taiwan readers will be swayed to support communism if the government allows direct distribution of mainland-published books here, and only 13.7 percent said they agree with such a presumption.

"The survey indicates that local publishers have great confidence in our readers," said Chang Liang-jen, director of the MAC's cultural and educational affairs department.

Chang said he and several other MAC officials met with senior executives from 329 publishing houses in major cities around the island in February to discuss current exchanges between publishers on both sides of the Taiwan Strait.

"About 85 percent of publishers present at the meeting support establishment of a mainland publications display center in Taiwan," Chang said. "We'll allow inauguration of such a display center if a similar Taiwan publications exhibition center is also allowed to open on the mainland," he added.

Only 42 percent said the government should allow sales of mainland-published volumes here, but 47 percent opposed such a proposal, Chang said.

At present, the government bans sales of mainland-published books here, but allows local publishers to publish and distribute mainland works with prior permission of the Government Information Office (GIO).

More than 70 percent of local publishers suggested that the government further ease restrictions on publishing mainland books, according to the survey. They also hoped that the GIO will speed up screening of mainland publications to be published here.

According to the survey, copyright trade dominates current cross-strait publishing exchanges. Many Taiwan publishing companies have purchased the rights to publish and distribute mainland literary works here, but few mainland publishers have bought Taiwan copyrights.

It has also become increasingly popular that publishing firms on both sides jointly edit, publish and distribute a book, according to the survey.

Beijing authorities still forbid Taiwan companies from opening publishing houses on the mainland.

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